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THE TABLOID

Why we are sadder than our parents

THE TABLOID

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NEWS

The nanny who could face a murder charge

# Blair hit by Old Labour junketing

**Council auditor criticises drunken lunches, foreign trips and free-loading**

**CHRISTIAN WOLMAR**  
 Westminster Correspondent

A council run by a tightly-knit group of Labour politicians, two of whom are front runners to fight a parliamentary election, has been criticised by the District Auditor over junkets, expenses, and "inappropriate" gifts and hospitality.

The criticisms are an embarrassment to Tony Blair because they dent New Labour's image and resurrect the spectre of old-fashioned town hall politics which the Labour leader is desperate to shed.

Councillors on Doncaster council, where Labour has an overwhelming majority, went on trips around the world, including to Japan, Hong Kong, China, Sweden, Poland and the United States, without formal authority and no public records of the trips were kept by the council.

According to the District Auditor, the accounts, councillors on some trips flew club class - breaching council rules. They went on drunken binges running up staggering bills, with one meal for two costing £284 and "working" lunches at £50 per head where most of the bill was for alcohol.

At a meeting last month of leading officers and councillors, the District Auditor, Gordon Sutton, said: "The level of alcohol consumed at these lunches makes it unlikely that those attending them could do any work in the afternoon, let alone stand up."

Councillors and officials accepted "inappropriate" hospitality including raffle tickets where the prize was a trip for two to the Kentucky Derby.

The revelations will cause widespread alarm at Labour Party headquarters, which only last week published a document stressing the virtues of the party's local government stewardship. It is particularly embarrassing because the selection process for the vacant Don Valley seat, caused by the death of Martin Redmond, has just begun.

Two councillors and front-runners for the nomination - the council leader, Peter Welsh, and Labour group chairman, Tony Sellars, lead a small group of Labour councillors which acts as an inner caucus running the council.

Tory Central Office, which will do its utmost to exploit Labour's embarrassment, has known of events in Doncaster for some time but had hoped to keep a lid on them until the election campaign. The Tories will also find it harder to launch an attack on Labour's record on local government since the amounts of money involved in Doncaster pale into insignificance compared with the £20m surcharge imposed on councillors and officers in Tory-controlled Westminster.

Mr Welsh went to Japan in December, where he visited a racetrack. Mr Sellars, who on Sunday night won the nomination from the ward to select its candidate for Don Valley, went on four trips - to China, Poland, Sweden and Jersey. Mr Sellars accepted yesterday he had been on a twinning trip to the Chinese town of Dandong travelling business class, but could not recollect whether he had been on the other trips. He said: "I will have to look at my diary we have a system of authorisation by officers. Maybe we rely on officers too much."

The District Auditor told last month's meeting of senior officers and councillors that there was a "lack of control" over the foreign visits, that the rules were "ambiguous and open to interpretation", and there was "abuse of the system".

Although the chief executive, Doug Hale, had authority to sanction trips, sometimes this had not been sought. Mr Sutton said: "Foreign trips had taken place without authority from the chief executive or members."

Some council members had travelled club or business class, whereas council rules specified economy. Mr Sutton also questioned the payment of £30 per day subsistence allowances to councillors for "incidental" expenses when, in fact, council credit cards issued to them were already used to pay for mini-bars, telephone bills and videos. A source at the District Auditor's office said: "There is evidence that overclaiming has occurred."

A council policy and resources committee voted last week to withdraw all but six of the 27 council credit cards which had been issued to councillors and senior officers. It also voted to scrap foreign trips, saving an estimated £115,000 per year and the £12,000-a-year Jaguar, leased to council leaders, is to be returned.

Doncaster owns the local racecourse at which the free bar for members of the racecourse committee and a free drink for any other councillor also came under criticism from Mr Sutton.

The overall cost came out of a special budget which the council said amounted to less than £200,000. Last week, the council also discussed proposed cuts of £5m in its budget because of reductions in central government grant. A council spokesman said last night that the District Auditor's report was being acted on and new guidelines drawn up.

Further report, page 11

## Tory threat: We will make the Scots pay

**Anthony Bevins**  
 Political Editor

The Conservatives yesterday threatened to punish the Scottish people with an annual penalty of about £20m in outlays if they allow Labour to set up an Edinburgh parliament.

Scottish Secretary Michael Forsyth warned that the differential between spending north and south of the border - amounting to more than £890 extra for every man, woman and child in Scotland - could be slashed from central Government spending.

But George Robertson, Labour's spokesman, told *The Independent*: "The Scottish people do not recognise that they are being subsidised, and see no signs of it about them."

"In England, people think that if the Scots are being that lavishly subsidised, why did Mrs Thatcher do nothing about it?"

After a day of disarray and confusion in Cabinet ranks, with Health Secretary Stephen Dorrell twice appearing to contradict the Government line on Labour's devolution plans, the Prime Minister's office said there was no disagreement between ministers.

Repudiating a suggestion that a future Conservative government would abolish the Scottish parliament - a threat reportedly made by Mr Dorrell in an interview with *The Scotsman* - Mr Forsyth said: "A Scottish parliament is not just for Christmas, it's for life."

He also contradicted Mr Dorrell's statement, in a BBC radio interview yesterday, that there would have to be changes to any Scottish parliament that was set up by Labour.

Mr Forsyth said a parliament would be irrevocable, adding: "Once Humphrey Dumpty falls off the wall, he will not be put back together again no matter how many of the king's horses and the king's men turn up."

"It would grow into a creature which might do enormous damage in Scotland, but we would have to live with the consequences of it."

However, Mr Forsyth said: "If people in Scotland vote for a tax-raising parliament, and that is established, then the consequences that follow from that in terms of the rights of Scottish members of Parliament to vote at Westminster, the whole question of the funding of Scotland's parliament - at the moment, Scotland is about 30 per cent better funded per head than England - all of those issues will need to be resolved, and these will be very dramatic and adverse consequences for Scotland."

The Scottish Office last night provided figures showing that in the latest available year, identifiable spending by country was £3,614 for England and £4,505 in Scotland in 1994-95.

If the 24.6 per cent differential was cut from the identifiable, £23,120m Scottish budget for 1994-95, it would have cost Scotland a penalty of about £5.7bn.

A senior Labour source said Mr Forsyth was maintaining his tactic of trying "to frighten the children", while Mr Dorrell was adopting the softer line that action could be taken to mitigate the impact of a new parliament.

In a letter to the Prime Minister last night, Mr Robertson said: "There is now a deep and disturbing division within your Cabinet on this aspect of your Government's policy on devolution, with the Scottish Secretary apparently isolated. Can you say which side you support?"

Jim Wallace, leader of the Scottish Liberal Democrats, told BBC radio: "Stephen Dorrell has blundered out of his depth. He doesn't appreciate sensitivities in Scotland. If the objective of the Conservative and Unionist Party is to save the Union, I can't think of one act more calculated to break it up than to give people a Scottish parliament then try to take it away."

Donald Macintyre, page 19



**QUICKLY**

**Albanian city seized**  
 Anti-government demonstrators seized control of the southern Albanian port of Vlorë, stripping riot police of guns, gear, and even their clothes as they demanded the resignation of the government and return of money lost in failed pyramid schemes. **Page 15**

**Ashworth suspension**  
 A consultant became the fourth member of staff at Ashworth Hospital to be suspended following claims that pornography and paedophilia were permitted in the hospital. **Page 5**

**Violence hits Spain**  
 Separatist violence ripped through Spain from north to south when a car bomb killed a man and wounded eight people in Granada, a gunman shot dead a Supreme Court judge in the street in Madrid, and the leader of the Basque nationalist party linked to Euzkadi separatists was found dead, possibly by his own hand, near Bilbao. **Page 14**

**Segers denial**  
 The former Wimbledon goalkeeper Hans Segers, who is accused of taking part in a conspiracy to fix matches, told a jury he had never thrown a game in his life. **Page 11**

**NHS retreat**  
 A retreat on the National Health Service Primary Care Bill is expected by the Secretary of State for Health, Stephen Dorrell, in order to avoid a row with family doctors, over the so-called "supermarket" surgeries, which the Conservatives believe could undermine their election campaign. **Page 6**

**Governor's choice**  
 Elton John is to take part in the hand-over of Hong Kong to China in June, when thousands of tourists are expected to witness the British withdrawal from the colony, which officially takes place at midnight on 30 June. The superstar's presence for the ceremony is the choice of the Governor, Chris Patten, a long-standing fan. **Page 2**

**Bank raises stakes**  
 The Bank of England is poised to raise the stakes in its clash with Kenneth Clarke with a renewed demand in its Inflation Report tomorrow for interest rates to rise. But the Chancellor is widely expected to put politics first and avoid increasing borrowing and mortgage costs before the election. **Page 20**

## The elderly inherit, not the meek, as thrift leads to record number of millionaires

**Steve Boggan**

The meek are not inheriting the earth - the elderly are. According to new research into the distribution of wealth in the United Kingdom, one in 550 adults is a millionaire, and the fastest-growing group are pensioners.

More than 81,000 people are now classed as millionaires, the most in history, and, for the first time, the number who have grown rich by graft and theft has overtaken those who have inherited wealth.

The research, by Datamonitor, a strategic management consultancy, shows that the number of millionaires - people with net, unencumbered assets over £1m and £50,000 in liquid assets - has more than doubled since 1991 when the figure stood at 31,100.

More than 19,000 of those are over 65, but only 17,000 out of the total of 81,000 inherited their money.

"This shows a major shift in wealth reflecting people's concerns about providing for themselves as they get older, rather than relying on state provision," said Barbara Yogasundaram, an analyst at Datamonitor.

"People are saving more and investing more, a trend which is resulting in the elderly having more spending power than before."

"People who inherit their money still form a large proportion of millionaires, but it is a shrinking proportion."

Datamonitor's figures, gleaned from public records at the Inland Revenue, the Central Statistical Office and the Office of National Statistics, show that in 1991, 8.2 per cent of millionaires were elderly - over 65 - compared with 9.5 per cent who were inheritors.

By 1995, the balance had shifted to 19.1 per cent elderly and 16.8 per cent inheritors.

Of all millionaires, 24 per cent are elderly, almost 21 per cent inherited their wealth and 12 per cent saved it from highly paid employment. Last year, of the 10,000 new millionaires, 2,000 were elderly, 1,200 were inheritors and 810 were workers.

There is also a small, but increasingly significant, group who have gained their wealth through the National Lottery. By the end of 1996, there were 288 lottery millionaires; the figure now is nearer 300.

The research does not, however, look at the strikingly obvious - the fact that more millionaires at the top must equate to more poor people at the bottom.

Datamonitor is preparing new research on what it calls the "middle bracket" of earners, those with £10,000 to £100,000.

However, asked whether a third piece of research would be forthcoming on the poor, Datamonitor said no. "There's not much call for that," said Mr Yogasundaram.

Just as well. The price for a copy of the latest report, *UK High Net Worth Individuals 1997*, is £1,495.

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## news

## significant shorts

## Blair attacks Chancellor over £14bn 'black hole'

Tony Blair yesterday called on the Chancellor of the Exchequer to clarify whether or not there was a "black hole" in the Government's finances.

The Labour leader was referring to a report in yesterday's *Independent* that the National Institute of Economic and Social Research has calculated there will need to be tax increases or public spending cuts of up to £14bn. "What this indicates yet again is a great big black hole in the public finances," Mr Blair said.

Speaking at a news conference on Labour's plans for small business, he added: "What I would like to know is what the Chancellor of the Exchequer says to this. Is this true or not? Does this deficit exist or not?"

The study by the National Institute, headed by Treasury adviser, Martin Weale, is due to be published next month.

Diane Coyle

## Jury fails to reach verdict on killing

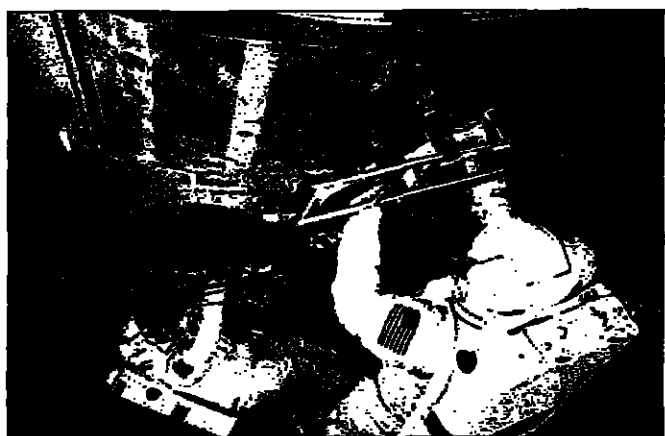
A jury in the trial of a father and two sons accused of murdering wife and mother Eve Howells were sent home overnight last night after failing to reach verdicts. The seven men and five women will resume deliberations tomorrow at Leeds Crown Court, where they spent six hours considering the case today.

David Howells, 48, and sons Glenn, 17, and John, 16, plead not guilty to murdering Mrs Howells, 48, at the family's home in Dalton Green Lane, Huddersfield, West Yorkshire, in August 1995. Glenn admits the manslaughter of his mother on the grounds of provocation. He claims he bludgeoned her to death in their living room after suffering years of mental and physical cruelty.

## Missing teenager found safe

A missing anorexic teenager, Jackie Hooker, was found safe, police said yesterday. She was found in Brixton, south London, said Thames Valley Police. The news came after Colin and Lynne Hooker made an emotional appeal for the 16-year-old, who weighs just 4st 8lb, to make contact with them.

## Mission to repair Hubble telescope



Astronauts are to make a series of space repairs to the Hubble Space Telescope (HST) over the next week, to enhance its stunning astronomical capabilities even further.

The Space Shuttle was due to take off yesterday on its way to the second repair mission for the HST, first launched in 1990. The astronauts on board will carry out at least four spacewalks in order to replace some of the older observation instruments and install state-of-the-art systems that will give even better views of the origins of the universe. They have been training for the mission for two years, carrying out the work on full-sized underwater mock-ups (above), to simulate the weightlessness of space. Charles Arthur

## Pop singer Brian Connolly dead

Brian Connolly, the once-hard-living singer of 1970s glam rock band, The Sweet, died early today, aged 52, a friend disclosed.

Connolly, whose hits included *Blackbusa*, *Ballroom Blitz* and *Wig Wam Bam*, died of renal failure in hospital in Slough with his friends and family around him.

The blond singer had a string of heart-attacks behind him, which started in 1981. He suffered the last in January this year, discharged himself from hospital after a week, but was re-admitted a week later for the last time. *Obituary, page 16*

## Poor deal for low-income savers

Low-income savers get a poor deal from financial institutions they entrust with their money, according to a report published yesterday by the National Consumer Council. The NCC believes that the closure of bank and building society branches, plus local post offices, all whittle away at effective consumer choice.

The report makes 20 suggestions to improve matters, including a call for banks to attract more young customers; for National Savings, the government agency, to provide cheap pensions; and for more education about financial matters. *Nic Cicutt*

## people



Piano man: A personal favourite of Governor Chris Patten, Elton will be top of the bill in June

## Elton to perform as the sun goes down on British rule

The magic combination of Elton John, Hong Kong's Urban Services Department and the fulfilment of the second Convention of Peking are coming together in June for celebrations to mark the handover of power in the colony. Elton is the first internationally famous star to have been firmly booked by the Urban Services Department for one of the concerts which will celebrate the transfer of power.

Practically every other famous name in the music world has been mentioned as a potential performer for a handover concert. However, those organising these events have been curiously slow off the mark and are having difficulties booking real superstars at relatively short notice.

But Elton has confirmed. "He is coming to Hong Kong on the last weekend of the handover," Peter

Randall, head of public relations at the Hong Kong Tourist Association, said yesterday.

Organisers said they hoped 40,000 people would pack Hong Kong stadium for each of the shows on 28 and 29 June. Thousands of tourists are expected, and - with many hotel rooms already taken by journalists, officials and diplomats, it is likely to be one of the biggest parties in the world this year.

The explanation for Elton John's presence seems to lie in the personal preferences of Hong Kong's Governor, Chris Patten, an avid music lover, is said to be a big fan. He invited Elton to lunch at Government House in 1993.

Elton's songs are extremely popular in China, though he has had less luck with plans to perform on the other side of the border. Authorities in Peking are said to have

objected several years ago when the idea was mooted of an Elton John concert within the walls of the imperial Forbidden City in Peking.

Hong Kong plans to spend HK\$233 million (£28m) on glitzy ceremonies to mark the handover. The Black Watch will be in attendance, to lend the appropriate note of post-imperial grandeur.

The Union Flag will be lowered for the last time in Hong Kong at midnight on 30 June, marking the end of more than a century and a half of colonial rule. China's red flag will then be hoisted.

Perhaps the most apt number for Elton to perform, given the nervousness amongst the HK population, would be an old concert favourite - "Don't Let the Sun Go Down on Me".

Stephen Vines  
Leader, page 15

## West End actors banned by US Equity

Janet McTeer's acclaimed West End portrayal of Nora in Ibsen's *A Doll's House* may now not be seen in New York after a fierce row broke out between the play's British producers and American Equity.

The US actors' union has banned three of Miss McTeer's co-stars, Owen Teale, John Curllie and Peter Gowan, saying the parts could be played by American actors. Miss McTeer (right) has been granted permission to act on Broadway. Both Miss McTeer and Owen Teale have been nominated for Olivier Awards for their performances.

The show's producer, Thelma Holt, said there was no way she could let the production transfer without the three performers in question.

She added: "One of the reasons we have been given is that it's not an English play so you don't need English actors. How ridiculous." Fellow West End producer Bill Kenwright, who was set to spend \$1m taking the production to New York, said: "It's a mind-blowing decision. I thought they would welcome us with open arms."

Mr Kenwright will be appealing to American Equity. He had already made an application for an exchange procedure, by which he would bring three American actors into a London production. *David Lister*

## Liam and Patsy call off their big day

Liam Gallagher and Patsy Kensit (right) yesterday failed to tie the knot, despite having more than 100 guests, albeit unwitting ones, in attendance at three different London venues and their St John's Wood home.

The Oasis singer and his girlfriend, who had obtained special licences for six separate locations, instead issued a statement saying that "obsessive and intrusive media attention had removed any dignity from what was to be a private and special occasion".

Not since Miss Kensit last got married has so much press attention been generated by so little. Reporters and cameramen were deployed across the capital in the hope that they would hit on the correct venue.

Press attention was particularly intense at 30 Pavilion Road, an exclusive Knightsbridge restaurant and odds-on favourite for a combined ceremony and reception. The unwitting passed the day leaning on redundant police barriers, while photographers with long lenses cat-called at each other from the roofs of nearby office blocks.

While fans were disappointed, one freelance photographer went home happy. He was being paid £100 per day by eight newspapers to be on standby, and had made £800 by doing nothing. "I hope they do it again tomorrow," he said. *Jojo Moyes*

## briefing

## TRANSPORT

## New traffic laws for Britain in EU drive to cut deaths

Britain will have to bring in new road safety measures if the target of halving car deaths in Europe by the year 2010 is confirmed, according to an EU report. Member states need to standardise speed limits, reduce legally acceptable levels of alcohol for drivers, increase seat-belt use and modify car design, said the European Transport Safety Council.

In an influential proposal to the EU, the ETSC called for the introduction of a strategic road safety plan to cut fatalities. Many of the measures are likely to be brought in by the Dutch presidency, which is putting forward a package of road safety policies before the summer. The plan could mean new laws for Britain, despite its position as top of Europe's road safety league.

The ETSC report called for the EU to aim for 95 per cent of drivers to use seat belts, saving 7,000 lives a year, and for road standards to be harmonised across Europe. Motorists driving on the Trans-European Road Network - the motorway which will link Europe - would have to travel at under 75mph.

## SOCIETY

## Accent on Scotland

A Scottish accent is the nation's favourite, according to a poll conducted by Cellnet, the mobile telephone network.

Eighteen per cent of people found a Scots accent the most appealing. But when asked whose telephone voice was the most trustworthy, nearly half voted for the traditional English counties accent.

The poll, carried out among 993 adults, also showed that the actor Sean Connery was the people's choice for the perfect voice. Joanna Lumley and Anthea Turner tied in second place. David Garfield



## ECONOMICS

## Clarke's pay crusade fails

Kenneth Clarke has failed in his 10-year mission to revolutionise the way Britons reward themselves for work, according to a study published today. In a speech on 11 February 1997, Mr Clarke, then Secretary of State for Employment, called for the elimination of five deadly sins: the annual pay round, the going rate, "comparability", job evaluation and - perhaps worst of all - national pay bargaining.

A decade later, all five still have a major role to play in wage determination, research group Incomes Data Services observes. National bargaining has been retained in a number of industries. National pay rates still exist at the banks, the big supermarket chains and companies such as Ford, Vauxhall and McDonald's.

So far as "comparability" is concerned, the vast majority of people still get an annual pay rise reflecting what is happening elsewhere - whether through inflation or what is being paid by competitors. *Barrie Clement*

## HEALTH

## Hip replacements a waste of cash

Unreliable hip replacements are not lasting long enough, causing pain and wasting money, according to the Consumers Association. Only the oldest and cheapest models - a handful of the 60 models on the market - last for a worthwhile length of time.

Operations to replace failed implants now made up about 11 per cent of all hip replacements in Britain, and some experts predict this figure could soon rise to 25 per cent. These "revision" operations are more complicated, more expensive and have a poorer success rate than the initial replacements, the *Health Watch* research found.

More than half the models on the market had been introduced since 1990, but only the oldest and cheapest implants had enough long-term evidence to support their use, it argued. However *Health Watch* claims the latest models made more money for manufacturers who were keen on them being used by as many surgeons as possible. *Glenda Cooper*

## WHITEHALL

## Top civil service posts vacant

Six high-ranking civil service posts were left vacant last year because departments were unable to find suitable candidates to fill them. An annex to last week's review body report on "senior salaries" says that, following open competition for 67 senior Whitehall vacancies in the year to June 1996, no appointment was made in six cases "either because there was no appropriate candidate or because suitable candidates had declined offers".

The Civil Service Commissioners told the review body that increased pay flexibility had helped recruitment generally, but "it was still difficult to attract top quality candidates ... in particular from the private sector". In the most senior ranks, women still found it difficult to break through Whitehall's glass ceiling. For vacancies in the top three grades: "women represented 13 per cent of applicants, 8 per cent of those short-listed for interview, and 10 per cent of those successful."

*Nineteenth Report on Senior Salaries. Review Body on Senior Salaries. Volume 1 Cm3540. HMSO, £7.20. Anthony Bevins*

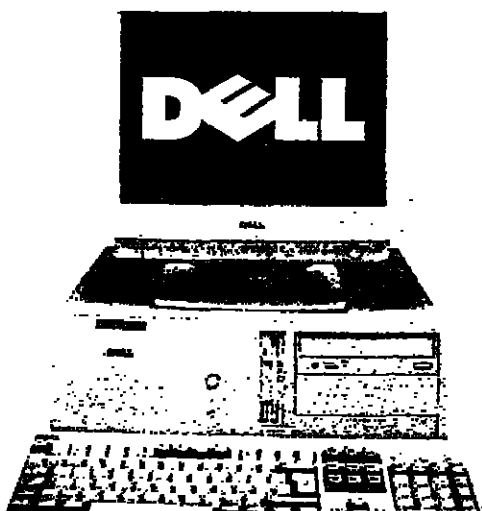


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**COMPAQ**

## politics

# Dorrell set for a climbdown over NHS Bill

Colin Brown  
Chief Political Correspondent

A retreat on the NHS Primary Care Bill is expected to be signalled today by Stephen Dorrell, the Secretary of State for Health, to avoid a row with family doctors over "supermarket surgeries" spoiling the Tories' general election campaign.

Mr Dorrell privately has assured the doctors' leaders that an amendment will be made to the Bill during the committee stage to make it clear that supermarket chains will not be able to hire GPs, although pilots may be allowed for supermarkets to open surgeries with GPs as their tenants.

Labour will reinforce its opposition to the "supermarket clause" by forcing a vote tonight against the second reading of the Bill. The Labour motion says the proposal to allow private companies to hire GPs would undermine the doctor-patient relationship and "pave the way for privatisation of the NHS".

Mr Dorrell agreed to revise the clause after the British Medical Association warned that it would ask GPs to make the proposal for "supermarket surgeries" an election issue. Among stores which have expressed an interest are Asda, and Unichem, the chemist chain.

The move by Mr Dorrell to silence the criticism comes as the Government is gearing up

for the election with a series of economic statistics - including the labour market figures tomorrow and the retail price index on Thursday - which are expected to show continued economic recovery.

Downing Street said a "belt-tightening" set of industry pricing figures showed record lows demonstrated the "very low inflation pressures in the economy", a clear sign that John Major is supporting the Chancellor, Kenneth Clarke, in resisting the pressure by Eddie George.



Eddie George: Pressure for an increase in interest rates

the Governor of the Bank of England, for an increase in interest rates.

Mr Clarke caused a renewed flurry of speculation about the election date when he told a conference of newspaper editors in London: "We're bound to get one called in the next few weeks."

The Prime Minister must call an election by 22 May and although he is known to favour hanging on until 1 May - the date of the local elections - there was speculation that next week, he might cancel the Wirral South by-election on 27 February to hold an election on 20 March or 10 April.

Defending Britain's rejection of the European social chapter, William Waldegrave, Chief Secretary to the Treasury, said an extra 33 million Europeans could be in work if the Continent matched the job-creating record of the United States.

In a keynote speech to the Social Market Foundation in London, Mr Waldegrave urged Europe to adopt an American-style flexible labour market.

He rounded on Britain's European Union partners for creating the European social chapter on workers' rights, and for burdening employers with high levels of protection for staff.

Mr Major is expected to give a boost to the Tories' election campaign on education at a press conference in London today. Government sources said the Prime Minister would be highlighting nursery education - one of the key battlegrounds for the election.

The Government is to expand nationally from 1 April the offer of £1,100 voucher for every four-year-old to pay for nursery care in the public, private or voluntary sector.



Meeting of continents: John Major extolling the merits of Britain as the best place to do business at the Latin America trade conference in London yesterday, which was attended by the presidents of Peru, Brazil and Panama. Photograph: Russell Boyce/Reuters

## Role-play to give women that vital push for Parliament

Fran Abrams  
Political Correspondent

Aspiring Labour MPs could find themselves role-playing advice surgeries or showing their talent "on the stump" under plans aimed at putting more women into Parliament.

Plans to introduce a variety of new tests for selection ap-

plicants are being considered by a committee set up to find a replacement for all-women shortlists, which were declared illegal last year.

The group, which is expected to report to the party next month, may also suggest replacing the controversial all-women lists with a quota system under which shortlists would

have to be at least 50 per cent female. A third reform under consideration is a central "approved" list of candidates like the one already run by the Conservatives.

The idea of role-play is designed to make selection procedures more women-friendly.

Party sources say that many women fail to push themselves

forward under the existing selection procedures, in which candidates are questioned in crowded meeting rooms. They add that some candidates who impress members with their platform skills turn out to be hopeless on the doorstep or when dealing with constituents.

"You could select someone who has made a brilliant speech

and then when you get them out on the campaign trail they are no good at all," one MP said.

All-women shortlists were outlawed last January by an industrial tribunal in Leeds after two male members complained that they were being discriminated against. Since then the proportion of women selected for winnable seats has plummeted. Labour's overseas-aid spokeswoman, Clare Short, pointed out recently that she was one of only 157 women MPs ever elected to Parliament.

The policy had already had some effect, and is likely to boost the number of women MPs to around 90 out of 560. However, this will still be very low in comparison to other

countries such as Germany, where around a quarter of MPs are women. There, the Social Democrats operate a quota system.

Mary Ann Stephenson, campaigns officer for the Fawcett Society, which campaigns for more women in Parliament and public life, welcomed the proposals.

"This could make a difference. Widening the selection procedure so that it is not just about being able to make one big barn-storming speech at one meeting is quite important," she said.

She added that extra training for potential candidates could also help them to put their best feet forward.

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## Harman plans one-stop shops for unemployed

Colin Brown

Some social security offices will be sold off in a merger with High Street JobCentres, saving the taxpayer up to £100m, under plans by Harriet Harman, Labour's social security spokeswoman, to introduce "one-stop shops" for the unemployed.

The plans fit in with the "simpler and smarter" government promised yesterday by Tony Blair, the Labour leader, and Ms Harman claims they could transform help for the unemployed to get back into work with a saving for the taxpayer.

Ms Harman, who has yet to announce the details, estimates that there could be a saving of £50m a year on administration costs, with a one-off saving of £50m on the sale of unwanted social security offices or JobCentres. "It's not just about saving money. It's about improving the service to the customer."

Under the changes, which have the backing of Citizens' Advice Bureaux, which deal with the problems, claimants would be able to obtain help with their job search at the same time as they applied for their

weekly benefits. The one-stop shops, using computer technology, could also advise on the availability of childcare facilities to enable mothers to seek work, and it could be used for the payment of housing benefit which is currently handled by local authorities. A tougher complaints procedure for customers would be introduced to reinforce the improvements.

"The starting point has to be refocused so that for people of working age, the emphasis will be on getting them off benefit and into work. You have to focus the service to getting smaller, but smarter, government," said Ms Harman.

It would end the duplication of queues, which Ms Harman found in Derby, where claimants have to queue for their benefit in one office, before going into the JobCentre next door to queue again for vacancies. That waste of time and resources, she believes, is repeated across Britain, and is hindering claimants from finding work. Streamlining the delivery of help for claimants and those seeking work could also help to cut fraud.

## Blair at work on small businesses

Tony Blair is to make a concerted effort to portray Labour as the party of small business in the run-up to a general election with a series of initiatives aimed at highlighting the Tories' failings, writes Fran Abrams.

At the launch of Labour's latest campaign yesterday, the party's small-business spokeswoman said the present government had created more regulations than it had abolished, tying up companies in swathes of red tape.

Labour has promised to double the loans made to small technology firms under a government guarantee scheme in association with the banks and to have an annual parliamentary

debate on small business. It also says it will give small firms a stronger voice on the Deregulation Taskforce and provide an internet site which can be used for training.

Next month the party will hold a forum with small-business men and women in London to discuss projects which might help to cut red tape.

In the next few months the shadow chancellor Gordon Brown, shadow president of the board of trade Margaret Beckett and small-business spokeswoman Barbara Roche will take part in meetings and discussions throughout the country to highlight the campaign.

DAVID  
Aaronovitch

## Long quest for the simple answer

"Questions" in the House of Commons are not the same as questions elsewhere. Outside (doubtless a consequence of our education system), the word suggests something to which an "answer" might be forthcoming. This convention stops at St Stephen's entrance; after nearly two decades in power this lot of ministers have perfected all the other, less revealing, ways of dealing with the imperfections of implied criticism. For the first 10 years, of course, it was "when the honourable gentleman's party was in government, the country was five minutes away from insurrection and the blood of white Englishwomen ran red in the streets".

Today, some ministers do not trouble even to refer to the fact that a question has been asked, simply slugging off current Labour policy (or lack of it) by way of response.

One oasis in this desert, however, is transport questions. Here, as yesterday, the chosen technique is not abuse or evasion but extreme long-windedness. True, the replies invariably begin with an expression of astonishment and hurt that the hon. gent or lady opposite should be so ignorant of the facts, or unappreciative of heroic government efforts, as to ask such a hostile question. But then they set to and answer. And answer. And answer.

Take junior minister John Watts, who is capable of immense exasperation on the subject of planting trees next to motorways, and will always sacrifice an unnecessary joke in favour of a lengthy invitation for members to join him in a visit to said trees.

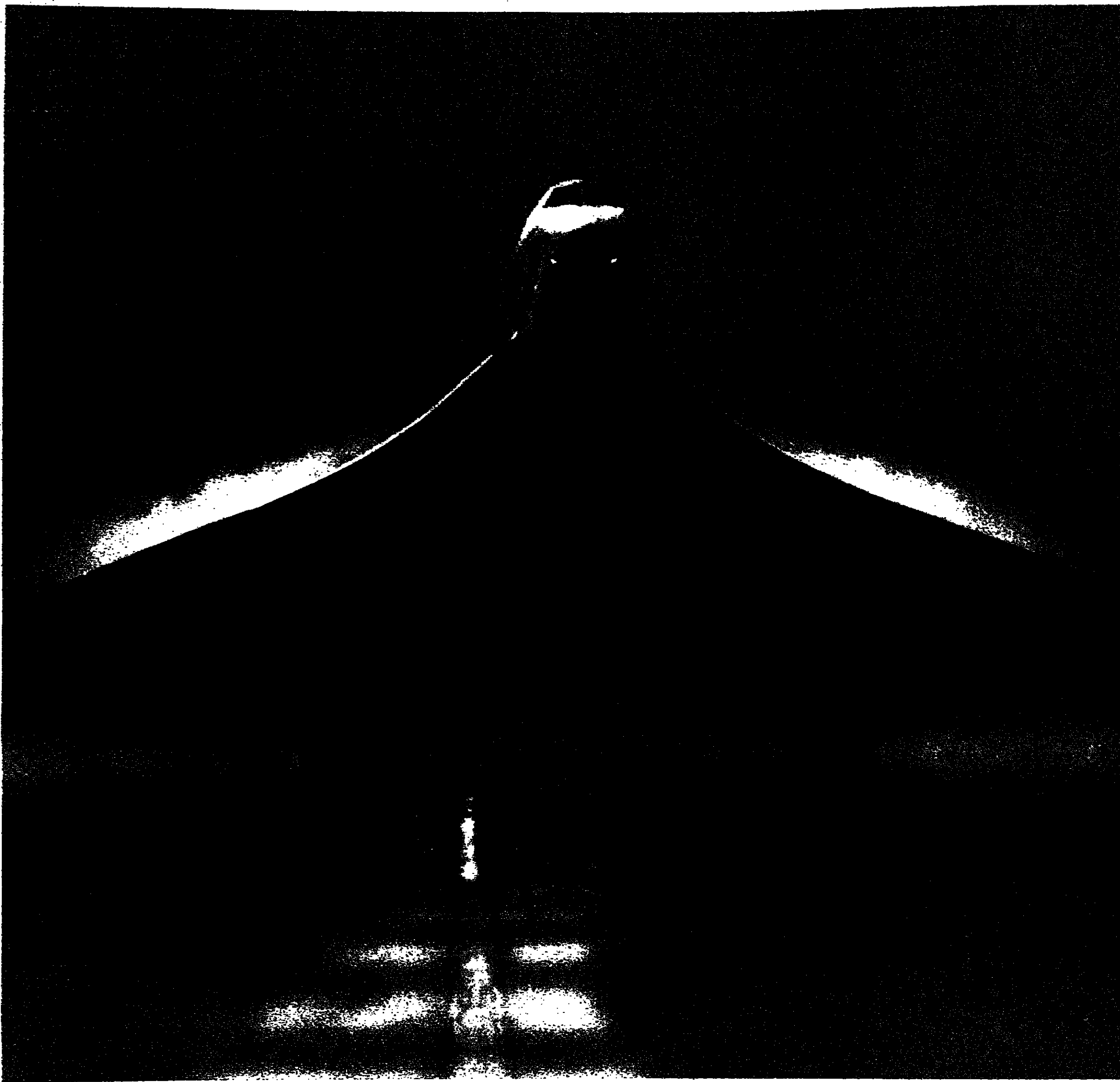
His colleague, John Bowis, is equally unfrivolous. He it was who fielded an enquiry from Michael Brown (Con, Brigg and Cleethorpes) concerning drivers falling asleep on the M180/A180. A study from Loughborough University had suggested that there was "clear evidence that if one travels in an easterly direction towards Grimsby, the road has certain conditions that cause drivers to go to sleep".

Mr Bowis leaned his substantial stomach against the dispatch box, and settled in for a long reply. In general, he told the House, accidents on that stretch of road were low (I half expected to discover that on the German A180 they were much higher, due to the Social Chapter), but there were indeed many incidents of driver fatigue. How could he explain this? Mr Bowis thoughtfully and seriously and slowly outlined all the conceivable options: lengthy journeys might account for it, he dreamed, as might road conditions, or - possibly - "drivers not observing the Highway Code". In other words, every factor that might explain any accident anywhere at any time. Personally, I am attracted to the idea that this stretch of road is (for some reason) frequented by acquaintances of Mr Bowis, who - recalling evenings spent with the great man - drift off into fatal reverie.

But hold on a second, you may say. How can you simultaneously complain about dismissive answers from the dispatch box, and over-long ones? And how would you respond to questions from the likes of the sententious Dr Robert Spink, drink-banning half-member from Castle Point? Dr Spink, resplendent in a double-breasted suit (though he barely musters a single breast himself), was asking Tony Newton (Leader of the House) about drugs policy. Would he not commend the efforts of SNAF, "which stands" (said Spink, proudly) "for Say No and Phone". I would have paid a year's salary had Newton suggested that Spink might usefully FOAD. "Which stands for ..."

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## news

# The justice system is racist, says mother

The mother of the murdered black teenager Stephen Lawrence broke down in court yesterday as she attacked a "racist" judicial system which had allowed her son's killers to cheat justice.

Speaking at the re-opened inquest into his death, at Southwark Coroner's Court in south-east London, Doreen Lawrence described the promising 18-year-old A-level student as "very friendly", "a quiet person" who was "loved by everyone".

But Mrs Lawrence, who saw three white men formally acquitted of her son's street stabbing murder after a private prosecution she brought folded last year, grew more angry as she added: "My son was murdered nearly four years ago. His killers are still walking the street."

She told the coroner, Sir Montague Levine: "When my son was murdered, the police saw my son as a criminal belonging to a gang. My son was stereotyped by the police. He was black, then he must be a criminal and they set about to investigate him and us."

"Their investigation lasted two weeks, that allowed vital evidence to be lost. My son's



Seeking justice: Stephen Lawrence, who was killed in a racist attack nearly four years ago, and his mother Doreen

crime was that he was walking down the road looking out for a bus that would take him home. Our crime was living in a country where the justice system supports racist murders against innocent people. The value that this white racist country puts on black lives is evident to see since the killing of my son.

"In my opinion what happened in the crown court was staged, meaning it was decided long before we entered the courtroom what would happen, that the judge would not

allow the evidence to be presented to the jury."

Mrs Lawrence's son was stabbed as he waited for a bus in Eltham, south-east London, in April 1993. The family's private prosecution - only the fourth to be brought in 150 years - came after the Crown Prosecution Service abandoned the case against two young men in July, 1993, because it believed there was insufficient evidence to secure a conviction.

Mrs Lawrence told the court she and her husband, Neville,

sought for their son after a neighbour told them he had seen the attack. After failing to find him, the couple drove to the local hospital where staff refused to let them see him.

He died at 11.37pm - some 40 minutes after their arrival - of a haemorrhage due to stab wounds to the chest and arm.

Mrs Lawrence claimed police officers at the hospital failed to talk to the couple until the next morning. "No one told us anything at that stage," she said and accused officers of being "very patronising" towards her and dismissive of her information.

She said that when she first visited the police station, she tried to present an officer with a list of names of possible people involved. "He folded the paper and rolled it into a ball in his hand. I asked him if he was going to put it in a bin. At the time they were not taking my son's death as seriously as they should have done."

The coroner told the jury that the teenager had left a 150-yard trail of blood before collapsing unconscious and lost "an awful lot of blood" as he tried to flee. The hearing continues.

## Loophole in seat-belt law

Randeep Ramesh  
Transport Correspondent

Children's lives could be put at risk by cash-strapped local authorities and irresponsible coach companies exploiting loopholes in new legislation designed to make journeys to school safer, safety campaigners claimed yesterday.

The laws enforcing fitting of seat-belts in minibuses and coaches carrying three or more children came into force yesterday. The Government was forced to act after a series of accidents which included the No-

vember 1993 M40 minibus crash in which 12 children and their teacher were killed.

However, both safety campaigners and industry lobby groups said they were "concerned" about the new legislation. "There are certainly loopholes in the law for older coaches. We expect responsible operators to work within the spirit of the law," said Simon Posner, a spokesman for the Confederation of Passenger Transport, which lobbies for the coach industry.

Under the laws there is no requirement that seat-belts added

to older vehicles have to be checked by experts. Last year, inspectors for Royal Society for the Prevention of Accidents (Rospa), found one company had used exhaust brackets to fit seat belts.

Experts also point out that although coaches have to fit seat-belts, no operator has to check children are wearing them. Rospa and the bus industry wants the Government to pay for "escorts" to ensure children are strapped in. The Department of Transport later said it would shortly produce proposals for inspecting the belts.

Another flaw in the laws means companies could avoid fitting belts by limiting the top speed of their vehicles and having them reclassified as buses.

Last week, *The Really Useful Show*, a BBC consumer programme, obtained a letter from a Welsh council advising bus operators about another loophole in the seat-belt rules. Denbighshire county council's head of highways and transportation told companies that "you can of course fit speed limits to existing vehicles, which will remove the requirement to fit seat-belts."



Tuned in: Some of the 5,000 primary-school children from all over London who yesterday swarmed into the Royal Festival Hall for the Lollipop Proms, to play music from the whole sonic spectrum Photograph: Nicola Kurtz

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## Inmates may be put in police cells

Patricia Wynn Davies  
Legal Affairs Editor

Britain's jails will begin overflowing next month, causing the Prison Service to resort to costly police cells unless controversial plans for a floating jail get the go-ahead, Richard Tilt, the director-general, warned yesterday.

Speaking at the service's annual conference in Manchester, Mr Tilt said the population of the 135 establishments in England and Wales was likely to reach about 60,000 by next month, exceeding their total capacity. But Weymouth and Portland borough councils voted last week to oppose plans to moor the prison ship *Resolution* in Portland Harbour, Dorset. Without the ship, Mr Tilt warned: "We will probably go into police cells around the middle of March."

Police cells cost up to £300 a night, six or seven times the cost of keeping a prisoner in a jail. Mr Tilt warned a meeting of prison governors earlier that the

prison population would hit 62,000 later this year. If the current rate of increase was maintained it would reach at least 66,000 by 2000.

Lancaster City Council yesterday deferred discussions of plans to use a former Pontin's holiday camp at Heysham, near Morecambe. The site is close to two nuclear power plants, Heysham 1 and 2, and the Prison Service must draw up plans to safely and speedily evacuate the site in the event of an accident.

However, the councillors decided to defer the matter until the service had concluded discussions with HM Nuclear Installations Inspectorate.

Prison officials had intended to ship over their newly acquired jail from its current home on the Hudson River in New York and berth it in Portland Harbour next month until the local councils refused to give it planning permission. It was estimated that the floating prison will cost more than £4m of taxpayers' money.

## New scare fuels baby milk fears

Glenda Cooper  
Consumer Affairs Correspondent

A second brand of baby milk has been withdrawn following cases of salmonella poisoning among French babies. Two batches of the product Lemiel 2, made by Milupa, on sale in France only, have been taken off the market after two cases of salmonella anatum were confirmed.

The milk is made in the same factory as Milumil, the formula brand withdrawn from sale in the UK and Ireland after 10 babies in Britain suffered the same infection.

A spokeswoman for Milupa, now owned by the Dutch company Nutricia, said yesterday that no link had been confirmed between the Milumil case and Lemiel 2 but the batches were being withdrawn as a precautionary measure. "It was thought the wisest thing to do while the Milumil investigation was going on."

An inspection of the Colmar

factory in France where both brands are made had been undertaken by the French authorities. UK experts from the Department of Health, and Milupa's technical-quality team, which had yet to find traces of salmonella. Some results of laboratory tests were still awaited. "No other product is suspected or linked. We do not know of any other cases," added the spokeswoman.

Patricia Rundall, international co-ordinator for Baby Milk Action, called for the Government and the European Commission to instigate tests at the Colmar and all other baby food factories and for all breastmilk substitutes to carry warnings. "Nutricia and Milupa have spent millions of pounds on promotion which has minimised the risks of artificial feeding..." she said.

"Since all dairy herds have salmonella and other contaminations intermittently and it takes only a very few organisms to infect a formula-fed infant, parents should be aware of the risks they when buy these products."

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## Scientists of the rockpool help tiniest starfish to twinkle amid the pollution



Rare sight: A pair of the tiny brooding cushion stars sharing a rock pool at West Angle Bay with their larger cousin, the cushion star. Photograph: Rob Stratton

Nerys Lloyd-Pierce

A rare species of tiny starfish virtually wiped out when the *Sea Empress* tanker shed more than 70,000 tonnes of crude oil on the

Pembrokeshire coast 12 months ago may be getting a helping hand to regenerate its numbers thanks to a sophisticated process of DNA match-making. The brooding cushion star—

so named because it incubates its eggs—was flourishing in rock pools at West Angle Bay until heavy pollution from the tanker reduced numbers from an estimated 150 to approximately 12.

More seriously still, the remaining Pembrokeshire population failed to breed last year and the end of its three- to four-year life cycle is now approaching. According to experts

from King's College, London, and the Field Studies Council who have been monitoring it, the Welsh cushion star is considered to be functionally extinct without man's intervention.

"The hermaphrodite brooding cushion star needs to aggregate in order to breed," Dr Roland Emsen, senior lecturer in biology at King's College, explained. "Even if they are only

separated by a few metres within a rock pool they cannot locate each other in order for this to happen. Surveys carried out four months and eight months after the spill indicate that the

remaining population is too widely scattered for reproduction to take place."

The only hope of regenerating the colony in West Angle Bay—where it was first identified as a separate species in the mid-Seventies—is by extracting DNA from its tube feet and from those of specimens inhabiting similar terrain in south Devon and creating a genetic picture to see if the two are sufficiently compatible to breed.

Andy Simms, assistant warden and deputy director of studies at the Field Studies Council's Orleton Field Centre, Dyfed, hopes compatibility can be confirmed as he is anxious about the long-term consequences for the rock pool community in the bay should the starfish disappear.

"The removal of any organism can be a negative thing as the stability of the marine community living in these pools is inevitably weakened," he said. "It is rather like the house-of-cards effect, keep taking the cards away and eventually the whole thing will collapse."

"Whether or not the brooding cushion star is a keystone species has yet to be established, but one of the reasons this site is extremely special is because it is so rich in terms of biodiversity and it would be a great pity for that abundance to diminish."

## Police fail test over stop and search

Patricia Wynn Davies  
Legal Affairs Editor

A dramatic reduction in the use of stop-and-search powers by police produced a better rate of arrests while maintaining crime clear-up rates, according to research published yesterday.

The results will put pressure on police forces to reduce the number of stop and searches, which have caused particular discontent among the Afro-Caribbean community following suggestions of victimisation of black youths.

In the first experiment of its kind, a comparative study between two similar Metropolitan Police divisions found that a 52 per cent reduction in Police and Criminal Evidence Act searches conducted in Tottenham, north London, produced a higher ratio of consequent arrests but did not appear to damage clear-up rates. In the other division, Vauxhall, south London, and nationally, searches increased during the study period, which ran from July 1995 to June 1996.

Numbers searched in Tottenham fell from 7,334 to 3,533. Although arrests also fell by 45 per cent, the proportion resulting from searches rose from 10 per cent to 12 per cent. Although similar in size, social and economic factors, police divisional strength and organisation, the numbers stopped in Vauxhall were 7,743—similar to the previous year.

Two key distinctions between the two areas appear to account for the wide disparity in the use of the power. During the study, which was conducted by the National Association for the Care and Resettlement of Offenders for the Haringey Community and Police Consultative Group, anyone stopped in Tottenham

was given a leaflet explaining the police powers being used and the individual's rights. Those stopped in Vauxhall were not.

In addition, searches had been removed as a performance indicator in Tottenham, while the division had improved targeting of suspects and given a commitment to improve relations with the community. Searches remain a performance measure in Vauxhall.

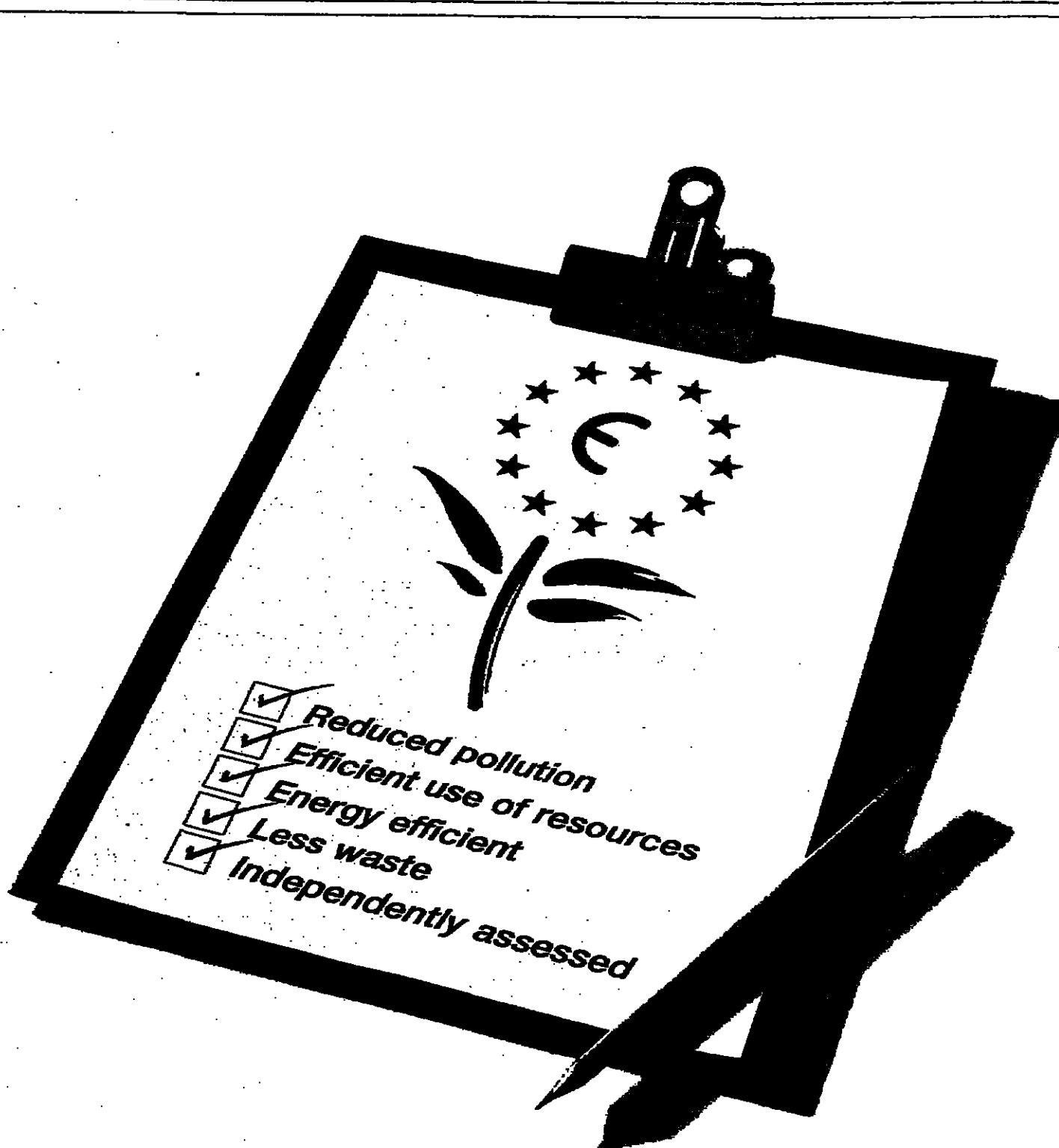
The study found that 45 per cent of those searched in Tottenham were black, although black people account for only 24 per cent of the local population. Bernie Grant, Labour MP for Tottenham, said: "I have never argued that the police should not have the power to stop and search when they have real cause to suspect criminal activity. But unnecessary use of stop and search has now become so extensive as to amount to an abuse of civil rights."

David Gilbertson, a Metropolitan Police commander and formerly Division Chief Superintendent at Tottenham, says in the foreword to the report that the leaflet initiative had led to "a marked reduction in the level of stop and search without any appreciable loss in terms of effective policing".

Ann Dunn, one of the report's authors, said the leaflet "made some officers think twice about stopping somebody".

Tottenham's decision to scrap stop and search as a performance indicator in favour of a "quality, not quantity" measure is also likely to have played a significant part.

Stop and search was "a contact sport for officers", which was highly competitive between teams trying to outdo each other, one senior Tottenham officer told the researchers.



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### DAILY POEM

#### The Poplar and the Passer-By

By Vasko Popa, translated by Anne Pennington

They're widening the street  
Clogged with traffic  
They're felling the poplars

The bulldozers take a run-up  
And with a single blow  
Knock down the trees

One poplar just trembled  
Withstood the iron

The bulldozer pulls back  
From her noisily  
Prepares for the final charge

In the huddle of passers-by  
There's an elderly man

He takes his hat off to the poplar  
Waves his umbrella at her  
And shouts at the top of his voice

Don't give in love

Writing about the developing work of the Serbian poet Vasko Popa (1912-1991), Ted Hughes has called it "one of the most exciting things in modern poetry". Popa's *Collected Poems*, which first appeared in 1978 in Anne Pennington's translation, has now been revised and expanded by Francis R. Jones. It is published by Anvil Press at £25.

## news

# Dounreay dilemma over shaft used for atom junk

Nicholas Schoon  
Environment Correspondent

A deep hole on a remote Scottish clifftop is one of Britain's two most awkward and dangerous radioactive sites. Yesterday its owners, the UK Atomic Energy Authority (UKAEA), announced three more research contracts into how the Dounreay waste shaft can be made permanently safe. It has promised to present firm proposals to ministers by the end of this year. One option is to freeze the 300ft depth of the water-filled, vertical shaft. But, whatever solution is embraced, the highest priorities will be to eliminate the risk of a chemical explosion or a "criticality" - a runaway nuclear chain-reaction.

For 20 years, starting in 1957,

radioactive waste from Dounreay, on mainland Britain's northernmost coastline, was dropped into the shaft. A volume equivalent to a medium-sized house took the plunge. It has left Dounreay under intense criticism and would never be contemplated today.

In 1977, a hydrogen explosion blew the concrete lid off the shaft, scattering small quantities of radioactive material. Dumping ceased and ever since the shaft has been monitored for any build-up of explosive gas. Were that to happen, nitrogen would be pumped in to prevent a blast.

But this is not a permanent solution: for the next few tens of thousands of years, any escape of waste from the shaft would be highly dangerous. Unless a breakwater is built, and



Hot issue: Dounreay, the site of a clifftop waste receptacle that is one of the most perplexing problems facing the British atomic energy industry

Photograph: John Voos

that too is under consideration, the sea will breach the shaft in about 200 years. Only UKAEA's sealed-off Number One pile at Windscale, Cumbria, site of the 1957 reactor fire which was

Britain's worst nuclear accident, presents greater clean-up difficulties.

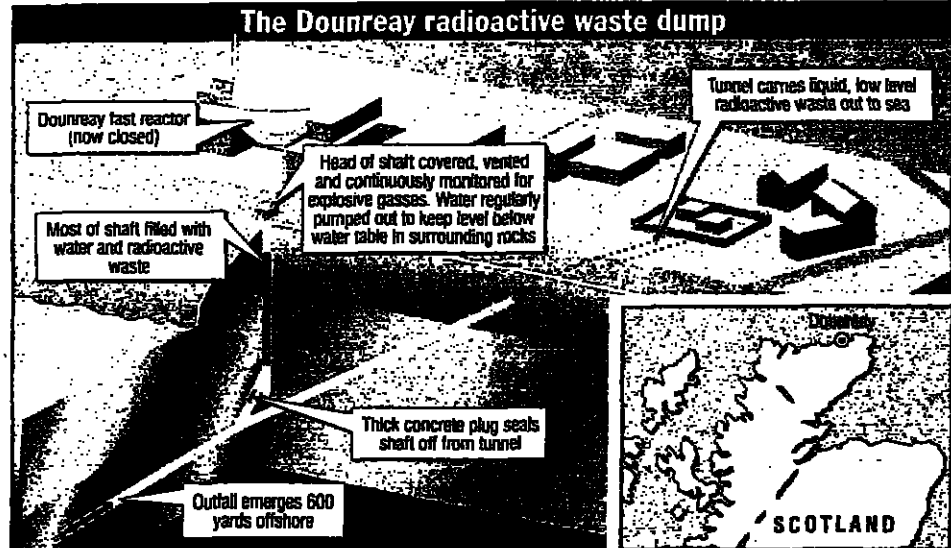
UKAEA's Dounreay director, Roy Nelson, said: "Clearly, the shaft is the most challenging

task we face here." A solution will cost hundreds of millions of pounds. Dounreay, 20 miles from John O'Groats, was where Britain spent 40 years trying to perfect the fast-breeder reactor, which turns uranium into plutonium "breeding" its own fuel.

Three reactors were built and all have shut. The programme was killed because of costs, but the site will employ hundreds of people and absorb billions of pounds into the next century. The 15ft diameter shaft was used to haul away rock carved out when a tunnel was bored out to sea, taking Dounreay's liquid low-level radioactive waste 600 yards offshore.

In the 1950s, permission was obtained to use the shaft as a dump for low and intermediate-level radioactive waste. A concrete plug was placed at the bottom to seal the shaft from the sea. Some 10,000 items were taken there from plants and laboratories around Dounreay in flasks. These would open and the waste plunge into the fresh water which had seeped in. UKAEA has been combing old logs to find out what was dumped and has interviewed retired Dounreay workers.

Items as big as lathes went down the shaft. So did glove



boxes, used to shield workers as they manipulated highly radioactive materials. The 1977 explosion was caused by a mixture of sodium and potassium, the volatile coolant in fast-breeder reactors, inadvertently dumped in the shaft. The mixture reacted with water to produce hydrogen. All that was needed was a spark to ignite it and because sodium burns in air, that was readily available. It will take thousands of years for radioactivity in the

waste to decay to negligible levels. Making it safe in the long term may require pulling it out of the shaft and placing it in a permanent repository. It is too dangerous for people to do, so remote-controlled arms and grabs combined with closed-circuit television will be used. The worst nightmare is a nuclear chain-reaction beginning in a sludge of uranium and plutonium particles which may build up at the bottom of the shaft. Dounreay scientist Doug

Graham said such a "criticality" was inconceivable in the undisturbed shaft. But any technique devised for removing the waste would have to provide absolute assurance: no chain-reaction could happen.

While the ultra long-term solution will probably involve emptying the shaft, UKAEA is also considering interim solutions. One option is to bore holes all around it and pump refrigerants through these to freeze the water and waste.



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## Manchester to get extra £43m for bomb damage

Extra government funding of £43m over the next three years to help rebuild Manchester city centre was announced yesterday by the Deputy Prime Minister, Michael Heseltine.

Coming on top of a £20m grant from the European Union, the money brings to £63m public sector funding secured by Manchester Millennium Limited - the taskforce set up to oversee the rebuilding work in the wake of the IRA bomb explosion last summer, which injured more than 220 people.

Regeneration chiefs say that the £63m, together with a £20m bid submitted to the Millennium Commission to create a distinctive "millennium quarter", will "leverage in" more than £340m of private investment for the city centre.

The £43m announced yesterday by Mr Heseltine from London via a video link-up with planners in Manchester, will be channelled through the Departments of Transport and Environment.

The announcement was welcomed by the city, and by Labour's deputy leader, John Prescott, who was addressing a conference in Manchester.

Regeneration planners also unveiled their "masterplan" for rebuilding the city centre yesterday.

Mr Prescott said Labour backed the plan "in principle" - though final approval would depend on the "fine print".

The £43m will go towards schemes including diverting traffic away from the city centre, new bus facilities, pedestrian and cycleways, and the creation of new public open spaces.

Richard Leese, leader of Manchester City Council and deputy chairman of Manchester Millennium Limited, said the financial commitment would ensure delivery of the plans within the three-year target.

"Now we have the masterplan, the commitment and the resources to start the rebuilding in earnest, the private sector will now have the confidence to invest," he added.

## Price tag put on tests for head teachers

Judith Judd  
Education Editor

Head teachers have told Labour it will cost £45m to fund a compulsory qualification for all head teachers. David Hart, general secretary of the National Association of Head Teachers, has asked for a spending commitment for the full amount from Labour in return for his association's support for a compulsory scheme.

The Prime Minister and Tony Blair clashed in the Commons over head-teacher training last week after inspectors said 3,000 heads were not up to scratch.

A government-backed voluntary qualification starts this autumn, though John Major hinted he might consider making it a requirement for all heads. Labour has said its scheme would be compulsory.

In a letter to David Blunkett, shadow Secretary of State for Education, Mr Hart argues: "Since the Labour Party considers the national qualification of headship important, it must

be prepared to pay for all candidates. We estimate that there would be 15,000 candidates at a cost of £3,000 each or £45m."

Failure to provide the money will worsen the difficulties already faced by many inner-city schools in recruiting new heads, he adds.

Mr Hart says the Government chose not to make the present scheme compulsory because of the cost. As a result, some heads will have to find the money from their own pockets.

Heads remain sceptical about the need for compulsion but Mr Hart says they could accept it if the Government provided all the funds and all candidates had the same opportunities to acquire it.

"Secondary heads said changes to A-level will be announced today will cost £600m. A new exam, halfway between GCSE and A-level will be introduced to encourage students to sit a wider range of subjects. The Secondary Heads Association said staffing and exam fees would cost more because students would be taking more exams."

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Racial conflict: Calls for boycott by British liberals to support plight of black workers on slave wages rejected for now

# SA wine growers sip at last chance saloon

Mary Braid  
Cape Town

After weeks of vicious debate about racism, slave labour and immorality in the South African wine industry, the Cape wine fraternity finally agreed on something yesterday – no one wants the British to interfere by mounting a post-apartheid wine boycott.

The warning to liberal, well-meaning Britons is the latest

6 Platter exposed the exploitation of tens of thousands of Coloured labourers

twist in a saga which began last month when John Platter, the celebrated South African wine writer, lambasted the Cape's all-white winelands establishment on BBC Radio 4 over its plans to share out 2bn (about £285m) to 5bn rand of assets, accumulated during the apartheid years, among 4,700 white farmers. Mr Platter exposed the industry's exploitation of tens of thousands of Cape Coloured labourers and its barbaric use of political and criminal prisoners as slave labour until the

early 1980s. Yesterday, at his vineyard near Stellenbosch, he was taking nothing back. In a letter to the Afrikaans newspaper *Die Burger* last week he suggested the industry's restructuring – or privatisation – amounted to "looting" and denounced the move as out of step with attempts to redress the injustices of the past.

But he was furious at *Die Burger* reports yesterday associating him with suggestions in a British Sunday newspaper that a European boycott might be in order. "A boycott would be completely counter-productive to producers and labourers," he said. Worse, the boycott call obscures the real issues and gives white owners somewhere to hide.

At home, the KWV, the co-operative of vineyard owners which has proposed its own privatisation, has condemned Mr Platter and his wife Erica as traitors. Neighbours have burned copies of the couple's annual wine guide – the bible on South African wine – and local farmers are promising to mount their own boycott – of next year's Platter guide.

At the centre of the row are tens of thousands of Cape Coloureds who, three years after the end of white minority rule, still toil in the vineyards for as little as R100 a week – the price of two bottles of South African red or white in a British supermarket – and a daily *dop* (drink) of half a litre of wine.

According to Grant Twigg, the general secretary of the Farm Food and Rural Workers



Grapes of wrath: Workers at a vineyard in Paarl, near Cape Town. It is felt a boycott would hit them hard

Photograph: Jodi Bieber

Union, also a Cape Coloured, the daily wine quota keeps the vineyard workers docile and too dependent to leave the industry. Alcoholism, he claims, is deliberately encouraged by many farmers. He, like the Platters, argues that the workers have a right to share in the benefits accrued during the apartheid years.

Since the early 1990s, he says, the industry has seen some improvements but the vast majority of workers are still appallingly exploited, despite 6 per cent annual growth in the domestic market and a 38 per cent increase between 1995 and 1996 in overseas sales.

But he too rejects the idea of an overseas boycott. "During the years of apartheid my union supported sanctions," he said.

"But in this case a growing industry and particularly its workers would suffer."

The Platter camp is attempting to force KWV to hive off a significant portion of the apartheid-era assets to transform an industry run by whites for whites. They want to bring blacks and Coloureds into management and ownership.

So far they have succeeded in persuading Derek Hanekom, the Agriculture Minister, to halt KWV's privatisation plans while an inquiry takes place. They argue that this is a rare case when doing the right thing is also good for business.

With blacks involved in the business, the pleasures of wine would be filter through to the black community, and boost home sales. That is the dream

of Jubalane Ntongase, currently the only black manager in the Cape winelands and a one-off in the South African wine trade.

Raised in Soweto, he learned the wine trade while in exile in New York.

He began importing South African wines to the US in 1992 and finally returned to his native country in 1995, where he was hired by the white entrepreneur Dick Enthoven, owner of the Spier Wine Estate.

Mr Ntongase was employed to create a few waves, but like some "token" blacks taken on by big business, his mouth has proved bigger than his boss probably anticipated.

This week the heat is on. The Afrikaans papers are crammed with criticism and still Mr

Ntongase cannot stop talking. On a Sunday – a big day for visitors – on the Spier estate, Mr Ntongase sticks out; the only other blacks are serving in the wine shop or trailing an endless stream of little blonde girls around a large lawn on ponies.

The wine industry he describes is rotten with racism.

He came back to South Africa to realise a dream. "When I was importing, my American customers always asked the same questions – how many blacks were employed in management of estates, how many black owners were there, how many black exporters were there?"

Of course there were none. He came home to change that; to open the business and the product up to blacks. Much is

made of professional whites leaving South Africa. Blacks who returned with skills, only to be hampered by white intransigence and invested interests, are somehow invisible. "If you mention black empowerment in the wine industry, everyone cringes," he says.

He is angry at recent comments by a KWV official that wine is always a white-dominated sphere, in any country. "That's just the sort of thing they used to say when I was growing up. It was the excuse they gave for not paying whites and blacks the same wages. 'Look around,' he added, 'gazing across the lawn towards another smart restaurant devoid of black visitors. 'If I didn't work here as a black man I would never come in.'"

## Dubious countries which shook off bad taste

James Roberts

For those whose greatest tipping pleasure comes from what they refuse to drink, rather than what they drink, times are getting hard. With the return of the fruits of the Cape to polite tables and bars, reasons for turning one's nose up at a particular bottle are almost exclusively confined to the effect of a wine on the palate.

Supermarket shelves are groaning with the produce of once-questionable countries of origin, such as Chile, Argentina, Bulgaria and Brazil. But no one gets much exercised about human-rights abuses by the government in Santiago before selecting a Chilean red, unless they confuse Pinocchet with Pinot Noir. Few remember General Galtieri. The days when port was politically incorrect ended with the 1974 Portuguese revolution; Franco's death put Rioja back on the wine list; retsina came back when the Colonels went.

Bulgaria, it is true, has had some bad publicity recently, with demonstrators in Sofia demanding that elections be brought forward by a year or so, so that they can get rid of an unpopular and incompetent government, but we are still talking timing here, and not fighting for the right to have elections at all.

Only Romania has provided relief recently for conscientious abstainers, with OutRage! and Amnesty International calling on us to switch our brand loyalty away from Bucharest on the ground that the country's recently modified laws on homosexuality are still discriminatory.

The wines of the Commonwealth may offend some refined drinkers, but it is hard to see how they can be politically offended by, say, a Canadian Red or a New Zealand Chardonnay.

The last great wine boycott was directed against France during its nuclear tests in the Pacific last year. Australia and New Zealand led the boycott and the impact on France's wine exports was significant.

## The great escape.

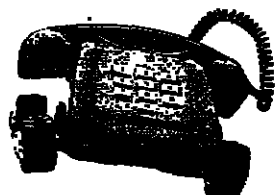
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# France's far-right rejoices in banal victory

John Lichfield  
Paris

The ultra-right Front National captured its fourth French town hall, in Vitrolles, at the weekend with a promise to run the town for the French, and not for foreigners. Catherine Mégret, the victorious candidate, also promised to run things more cheaply and more efficiently than the Socialists; and to govern according to local needs, not national dogma.

Oddly, her first act as mayor will be to return to her suburban home outside Paris and hand over the government of Vitrolles to obscure, local National Front politicians and officials. Mrs Mégret, who was running on behalf of her disqualified husband, made it clear from the beginning that she wanted to be elected mayor, but not to be mayor. Bruno Mégret, second in command of the party nationwide, has no more interest than his wife in running Vitrolles, a failed experiment in concrete urbanism on the outskirts of Marseille. It will be left to a cabal of local FN supporters to govern the place, presumably following the example set by the three Front mayors elected in nearby towns in 1995.

The Front's municipal strategy, according to the party's chief ideologist, none other than Bruno Mégret, is to "banalise" the party's anti-immigrant, anti-establishment message: in other words to extend the FN's base by convincing voters that it is just



Winning wave: National Front candidate Catherine Mégret after her election victory at Vitrolles at the weekend, with her husband Bruno (right). Photograph: AP

another party, capable of running town halls more efficiently than the other parties.

So what is the FN's record in its other seats of power - Toulon, Orange and Marignane? Town government has not collapsed, as perhaps the Front's opponents might have wished. There has been no wholesale persecution of immigrants. There

has been no obvious gain in municipal efficiency either.

What there has been is a mixture of racist pettiness, political vindictiveness and censorship, mixed with the kind of cronyism which is rife throughout French local government. FN opponents - and some non-political locals - also complain of a rising

mood of racial and political intolerance, which they blame on the example set from the town hall.

In Marignane, next door to Vitrolles, the FN mayor, Daniel Simonpieri, claims to have cut taxes and spending. A local apolitical taxpayers' group points out that taxes may have fallen by a few centimes but

spending has, rather mysteriously, risen. One of the mayor's first acts was to abolish the special, pork-free school lunch menus which had previously been provided for Muslim and Jewish pupils. It is this kind of in-your-face racial insensitivity which gives the lie to the FN's claim that it is not a racist party. (The official Front line is that it sup-

ports the rights of French people of all races over immigrants of all races.)

In both Marignane and Orange, 60 miles to the north in the Rhone valley, the FN-controlled town halls have ordered - in the name of "ideological rebalancing" - local libraries to stock far-right newspapers, periodicals and books, and to cancel subscriptions to allegedly ultra-leftist newspapers. These include *Libération* which is only just left of centre, and a leftist but respectable regional newspaper, *La Marseillaise*.

In Orange, three out five social centres - those serving immigrant areas - have been closed. Town-hall employees have complained of an "atmosphere of humiliation, persecution and menace" directed against anyone who overtly resists the FN line.

In Toulon, the naval port east of Marseille, and the largest city under FN control, the party record of day-to-day management is poor. Local taxes have risen, despite the slashing of cultural and sporting budgets. The town's traditional Christmas distribution of toys to poor children was switched last year to a new organisation, which gave presents to "French children only". The mayor, Jean-Marie le Chevallier, described as "unfortunate" the invitation of a Jewish writer, Marek Halter, to the Toulon book festival.

Overall, the very fact that the FN is running towns may, as Mr Mégret hopes, "banalise" the party. But its record fails utterly to support its claim to be a respectable, pro-French but non-racist democratic movement.

## Korzhakov wins seat in Duma

Anatoly Verbin  
Reuters

Moscow — President Boris Yeltsin's burly ex-bodyguard, who has promised to reveal the secrets of the Kremlin, broke into politics yesterday by winning a seat in parliament.

Alexander Korzhakov, a former close friend who is now one of Mr Yeltsin's fiercest opponents, won 26 per cent of Sunday's vote in the central Russian city of Tula, according to preliminary results.

The former KGB major took a leaf out of Mr Yeltsin's book for his aggressive campaign, bringing rock stars to the sleepy town and overwhelming the media with his advertising.

He emerged more than nine points clear of his nearest rival, local politician Eduard Pashchenko. Chess champion Anatoly Karpov was just behind in third place and Nikolai Novikov, a businessman who ran his campaign from a prison cell while awaiting trial for extortion, was fourth.

Some analysts predict that Mr Korzhakov will use the platform of the Duma and the immunity from prosecution enjoyed by deputies to step up his fight against Mr Yeltsin, who sacked him and other Kremlin hawks in June.

A close friend of Mr Yeltsin for 10 years, Mr Korzhakov has presented himself as a victim of a Kremlin plot and pledged to unveil "compromising material" against the establishment.

"I think he has enough material to make trouble for many Russian politicians," said Andrei Piontkovsky, of the Moscow Centre for Strategic Studies.

Last May Mr Korzhakov said he wanted the presidential election to be postponed, putting him on collision course with the liberal Anatoly Chubais, then effective head of Mr Yeltsin's campaign. Mr Chubais, now Kremlin chief of staff, has been called a regent by Mr Korzhakov, who says he has assumed huge powers since Mr Yeltsin fell ill in June.

Mr Yeltsin dismissed Mr Korzhakov before July's presidential runoff, which he won, and ordered an inquiry into the general's activities. Mr Korzhakov fought back by going to court and accusing Mr Yeltsin of defamation. There has been no decision yet.

Television channels, loyal to Mr Yeltsin, attacked Mr Korzhakov in a bid to put the voters off, but the residents of Tula showed the nationwide tendency to favour the candidate seen to carry political weight in the capital.

Mr Korzhakov promised to use his inside knowledge of the Kremlin to help Tula, a former defence industry centre suffering from the end of the Cold War. Voters turned out for his pre-election rallies eager to hear some Kremlin gossip, but Mr Korzhakov remained tight-lipped, saying he would only spill the beans once he was elected.



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# Albanian rioters seize port of Vlora

Andrew Gumbel

A furious crowd of anti-government demonstrators effectively seized control of the southern Albanian port of Vlora yesterday, stripping riot police of their guns, their riot gear and even their clothes as they rampaged through the streets demanding the resignation of the government and the return of money invested in failed "pyramid" schemes.

After five days of increasingly tense demonstrations in Vlora, the city descended into anarchy as gunshots rang out periodically, wrecked cars and oil drums were rolled out in the street and set on fire and piles of rubble and police uniforms were amassed and turned into giant bonfires.

At least three people were reported dead and around 100 injured, almost all hit by stones. One of the dead was shot in the back and died on the operating table at the city hospital. The two others were said to have

died of heart attacks, but at least one of them was seen admitted to hospital with blood running down his face and body following a severe beating.

The uniformed police, who numbered no more than 100, were no match for the fury of the crowd. Many of them ran into side alleys, where the luckier ones were offered shelter in private houses and the rest had their clothes torn off them piece by piece. Others took refuge on the city rooftops and attempted to intimidate the crowds by dropping stones into the street.

The demonstrations in Vlora were the direct result of the collapse of Gjallia, the latest of Albania's pyramid investment schemes, which was based locally. In most of the rest of the country, the population has been cowed into fearful silence by a wave of arrests and beatings, but in Vlora the government now seems to have lost any semblance of authority. The port is a booming Mafia



Hot work: A plainclothes and a riot policeman push a demonstrator towards a fire during street clashes yesterday in Vlora

Photograph: AP

town, the main entry and exit point for contraband including cigarettes, guns, drugs and immigrants en route to Western Europe, so it is used to considering itself above the law.

People across the country believe the government took an active part in the pyramid schemes and was responsible for

duping people into believing that they could continue paying extravagantly high rates of interest to investors.

As many as a million Albanian households — effectively the entire country — are believed to have committed money to the schemes.

President Sali Berisha and his

government have been entirely unsuccessful in deflecting blame for the crisis, and their promises to pay back some of the money have done little to quell public dissatisfaction.

It is not clear whether the rest of the country will be inspired to follow Vlora's example, or whether the real crunch will wait

until the biggest of the pyramid schemes, officially still in business, are declared bankrupt in their turn.

The government has offered to open talks with the opposition, but the offer has been overshadowed by a climate of fear in the capital, Tirana.

Dissidents and opposition

politicians have been systematically intimidated and attacked in the past few weeks, and on Sunday the leader of the small Democratic Alliance party, Neritan Ceka, was whacked across the face with a truncheon in a Tirana cafe and some of his friends dragged outside and beaten.

## China elevates HK leader

Stephen Vines  
Hong Kong

Tung Chee-hwa, the leader of Hong Kong's first post-colonial government, is said to have been given state leadership status by China's ruling Communist Party. This places Mr Tung in a category normally reserved for those at or above the position of Politburo members or vice presidents.

A report in the *Hong Kong Standard* newspaper yesterday stated that Mr Tung had been selected to join this select group by the Communist Party in Peking. Mr Tung's office refused to comment on the report.

Circumstantial evidence, such as the level of the reception Mr Tung receives when he is in China, and his treatment in China's state-controlled media, suggest that the report is sound.

It means that Hong Kong's new leader is theoretically able to rub shoulders with China's president and Communist Party general secretary Jiang Zemin, and even the paramount leader Deng Xiaoping since the term "state leader" is bestowed on holders for life.

The designation of Mr Tung as a state leader also confirms the very high level of importance the Chinese leadership is attaching to the resumption of sovereignty on 1 July. It also means that Hong Kong's leader has considerably more clout in Peking than the average provisional leader.

On the other hand, attacks on state leaders are treated as subversion in China. If this is applied to criticism of Mr Tung, it will represent a considerable diminution of freedom of speech in Hong Kong where abuse of leaders is routine, and where, at a recent demonstration, an effigy of Mr Tung was burned for the first time.

Reuters — Hong Kong's largest foreign community, the 140,000 Filipinos who work mainly as maids, received assurances yesterday that they would not lose out after the British colony reverts to China. Jose de Venecia, a Philippine congressman, said he obtained the assurances during a meeting with Tung Chee-hwa.

## Japan beckons to an impoverished 'Queen Mary'

Tim Cornwell  
Los Angeles

Deborah Prussel speaks of the *Queen Mary* with a sense of patriotic ownership in a vessel that was once the pride of British shipping. It is bad enough that the 61-year-old liner is now the back drop for dockside bungee-jumping. "Queen Mary must be turning in her grave at that one," she said. But worse, far worse, is the notion of floating the one-time Second World War troopship to Tokyo Bay, 30 years after her final voyage, for use as a gambling den.

Mrs Prussel and other residents of Long Beach are up in arms. An acrimonious meeting is promised tonight

when the Long Beach city council meets to consider the proposal of a local businessman Joseph Prevratil to send the *Queen Mary* to Japan.

Mr Prevratil operates the ship as a floating hotel under lease from the city, and says the trip would raise cash for urgent repairs. But residents fear the *Queen Mary*, gutted of her engines when Long Beach bought her as a tourist attraction in 1967, could sink.

Even if Mr Prevratil could pull off his scheme, they are worried she will never come back. "We don't want her going to Japan, pure and simple," said Mrs Prussel, a board member of the Long Beach Historical Society. "There are serious concerns about whether she would make it."

The *Queen Mary* was launched in 1936 by the Cunard-White Star line, and soon established the world record for the fastest Atlantic crossing. She boasted excellent food and celebrity passengers well into the Sixties, but by the end of the decade she was losing money, and before the journey to California her fittings were auctioned off. According to Mr Prevratil, her electrical, plumbing and air-conditioning systems are on their last legs. She has swallowed up \$100m (\$62.5m) in private and public money.

Mr Prevratil, 59, announced his plans at a news conference in the ship's grand ballroom late last month. Sending her to Japan for just three to five years would raise an urgently need-

ed \$40m, he said. The ship was so seaworthy, he insisted, that Lloyd's of London was prepared to insure it.

Under Mr Prevratil's stewardship the *Queen Mary* last year turned a profit for the first time. All of the ship's 365 rooms are now open, at prices from \$50 to several hundred dollars, with two award-winning restaurants.

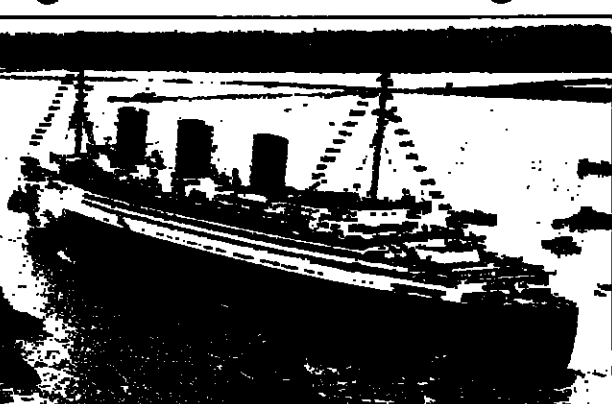
But the ship has also become part of the landscape in Long Beach. It is host to many functions, and it is part of social and official life. Sitting at the mouth of the Los Angeles River, it is virtually impossible for a visitor to miss. Many are reluctant to see it go, including city councillor Mike Donegan. "It would leave a black hole if it was gone," he said.

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The *Queen Mary* leaving Southampton for the last time 30 years ago, set for her new role as a Long Beach tourist attraction

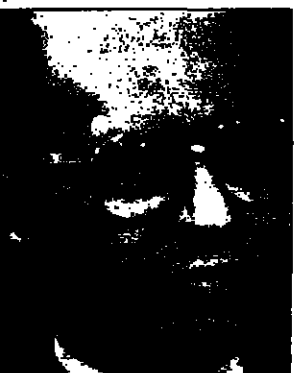
## Memories of 1982 cloud Israel's Lebanon dilemma

Patrick Cockburn  
Jerusalem

A measure of Israeli divisions over what to do about Lebanon is a furious row between right-wing leaders over Israel's disastrous invasion of its northern neighbour in 1982, which left 650 Israelis and 13,000 Lebanese dead.

General Ariel Sharon, a member of the present government who was minister of defence 15 years ago, is suing the Israeli daily *Haaretz* for saying that Menachem Begin, then the Israeli prime minister, had lied to him about advancing all the way to Beirut.

Giving evidence against General Sharon is Ze'ev Begin, son of the former prime minister, who told the court that his father, who died in 1992, had given his assent to a more limited operation. Mr Begin, who resigned from Israeli cabinet over the Hebron withdrawal last month, said his father denied General Sharon's claim to have told him that Beirut was the initial objective. He said his father "was very angry," and said: "These things are baseless."



Menachem Begin: Believed General Sharon lied

General Sharon has always been held responsible by the Begin family for the invasion which led to Menachem Begin's resignation. It is also true, however, that the prime minister gave his defence minister full backing in his bombardment of Beirut and the capture of the city. The massacre of more than 700 Palestinians at Sabra and Chatilla refugee camps by Christian militiamen allied to Israel discredited the invasion internationally. Israel has never wholly recovered in Lebanon from the debacle. It failed to achieve any

of its aims of marginalising the Palestine Liberation Organisation, reducing Syrian influence in Lebanon and establishing a Christian Lebanese government allied to Israel. In the face of guerrilla attacks, Israeli forces pulled back to a nine-mile wide security zone in south Lebanon in 1985.

Last week's collision of two helicopters, in which 73 soldiers and airmen were killed on their way to outposts in Lebanon, has given impetus to the debate about whether Israel should withdraw. Yossi Beilin, the architect of the Oslo accord, suggested that control of the security zone be handed over to a third party. The problem with this is that Syria will not let Israel off the hook in south Lebanon without an Israeli withdrawal from the Golan Heights, captured in 1967.

Benjamin Netanyahu, the Prime Minister, and Amnon Lipkin-Shahak, the chief of staff, oppose a pullout but do not have any alternative strategy to propose. A senior officer was quoted as saying: "The public debate now being carried out out conceals an IDF [Israeli army] withdrawal from Lebanon

negatively affects the morale of the officers and soldiers serving in the south Lebanon sector."

The prolonged bombardment of Lebanon by Israeli artillery and planes in operation Grapes of Wrath last year failed to inflict significant damage on Hizbollah guerrillas. The US-brokered ceasefire stopped Katyushas being fired at northern Israel, but also stopped Israel freely using its advantage in firepower against Hizbollah. No civilians have been killed on either side for six months. Expansion of the security zone or attacks on Syrian positions in Lebanon would lead to renewed Katyusha attacks.

The several hundred Hizbollah guerrillas Israel faces in Lebanon have proved highly effective. Even in a skirmish at the weekend, in which a three to five man Hizbollah squad was intercepted by Israeli troops, the result was seven Israeli wounded, one seriously, and no evidence of any Hizbollah casualties. The trickle of Israeli casualties, totalling 68 dead in the last three years, makes it difficult for the government to persuade the public that it has no option but to soldier on.

## Landslide win for Sikhs in Punjab

Jawed Naqvi  
Reuters

Chandigarh — A Sikh party was poised yesterday to rule India's Punjab state for the next five years after a landslide victory in the first peaceful elections in nearly two decades.

The Akali Dal, led by the former chief minister, Prakash Singh Badal, and its ally the right-wing Hindu Bharatiya Janata Party (BJP) won an overwhelming four-fifths of the 117 seats in the state legislature. "The Hindus dominate the cities. The BJP is their major mouthpiece. Sikhs dominate the countryside," said Ashis Nandy, an analyst at the Centre for the Study of Developing Societies in New Delhi.

It was a significant win for the Sikh party, which won a dominant 74 seats after boycotting the last Punjab elections in 1992. The state's ruling Congress party was reduced to only 14 seats.

Some 69 per cent of the state's 15 million voters had turned out for Friday's polls, in sharp contrast with 1992 when 22 per cent voted in an election overshadowed by Sikh separatist violence.

Arrival, pro-separatist faction of the Akali Dal won just one seat in yesterday's final tally. Its leader, former police official turned militant, Simranjit Singh Mann, was defeated.

Mr Badal, 69, is expected to take office as Punjab's chief minister later this week. The rich farming region bor-

dering Pakistan has been rocked by years of guerrilla violence. Analysts said the Akali Dal's poll alliance with the BJP offered Sikhs and Hindus a chance to overcome the distrust. "The Akalis never encouraged militancy. They were soft on the militants. The militancy was the handiwork of groups which were opposed to the Akalis," Mr Nandy said.

The landslide victory should reduce pressure on Prime Minister Deve Gowda's United Front alliance, analysts said yesterday. The once-monolithic Congress Party governs only six of India's 26 states and has been reduced to a reluctant supporter of the country's fractious ruling centre-left coalition.

The analysts said Congress was expected to scale down its

frequent threats to topple the United Front alliance, which took power last June, and force mid-term elections at the national level.

"The Congress will simply have to pause," said Surjit Grewal, a political analyst in Punjab's capital, Chandigarh. "The lesson in Punjab is that the Congress is extremely unpopular here. The scene can't be much brighter for it in other regions."

Akali Dal leaders said the Punjab election also held a lesson for the BJP. "The BJP should now realise the benefits of having the support of minorities," said Akali Dal spokesman Kaurwaj Singh. "I do believe the party has to seek a policy of moderation if it truly wants to govern India."

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## analysis

How can Britain meet the need for another four million homes? Build more new towns, the doyen of planning tells Peter Popham

What with the tree people and the tunnel people, Swampy and Animal and the rest, a hasty scanning of the newspapers may give one the impression that development is something which in this country is no longer possible: that every new road or housing estate, every attempt to nudge history forward, as opposed to rolling it back, will be met by the thunderous coalition of young eco-warriors and middle-aged Nimbys.

So to hear someone speak out in favour of full-blooded development policies, in favour of a whole panoply of new towns and villages, served by incredibly fast new rail networks but also, no doubt, by some new roads, is rather shocking: like bumping into an advocate of caning or whaling or paedophilia.

But when the person in question is Professor Peter Hall, doyen of British town planners, former chief planning adviser to Michael Heseltine at the Department of the Environment and now chairman of the Town and Country Planning Association, one sits up and takes notice.

Tomorrow evening at the Royal Institute of British Architecture in London, in a debate entitled *City, Suburb or Country - Who Cares?*, Professor Hall will explain why he thinks a large number of new communities will not merely be desirable in the next 20 years, but imperative. In his view, sizeable new communities are going to come into existence, willy-nilly, and they will come about in a far more coherent and harmonious manner if they are planned. And he will explain how the arrival of TGV-speed



In the next 20 years, the creation of new communities will be an imperative, says Professor Peter Hall. But there will be opposition from environmentalists - and the Nimby tendency

## Milton Keynes multiplied

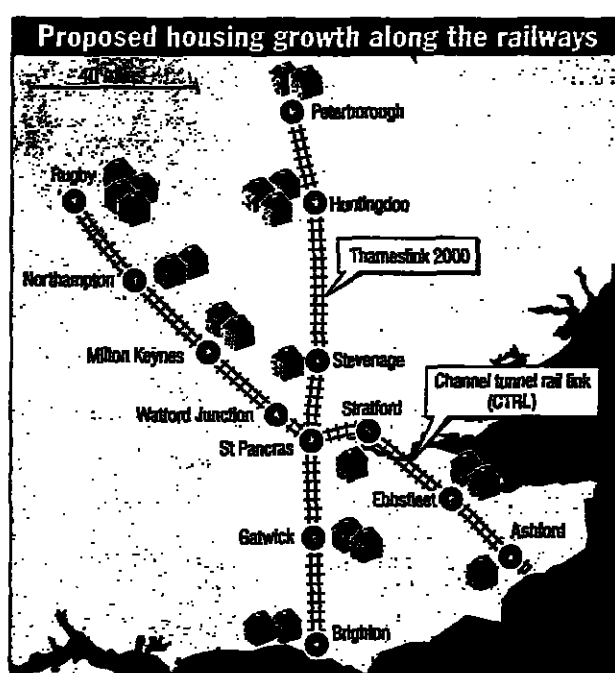
trains in south-east England to serve these new communities will also have a powerful regenerative effect on existing towns and cities that now are deep into their various limbo and twilights.

The trigger for these bold imaginings was the prediction last November by John Gummer, Secretary of State at the Department of the Environment, that by 2020 Britain will be confronted by the need to house 4.4 million new households. The bulk, 80 per cent, the DoE believes, will not be young couples but single-person households: young people of student age, the divorced or separated, and older people who have outlived their spouse or partner. However constituted, it is a formidable number of households to accommodate. It is an irresistible force. But it is headed straight for an immovable object, namely the Nimbyish tendency with which Gummer, who represents a rural constituency and lives in a vicarage in Suffolk, is on terms of intimate familiarity.

Deeply in thrall to the absol-

utist ruralism of the Council for the Preservation of Rural England, Gummer seeks to deflect the irresistible force on to a new (and, praise the mark, fashionable) terrain. Rural England shall remain sacrosanct: if Gummer gets his way, 60 per cent of those 4.4 million households will be decanted into housing in so-called "brown field" sites in the cities - areas of redundant industrial or office buildings, contaminated and derelict land, and so on, which can be converted to residential use.

By suggesting that this is the solution, Gummer has grabbed the coat tails of a real and important trend, namely the revival of the inner city not only as a place to work and play but as a place to live: a historic reversal of the drift to suburb and country living that has been in progress for more than a century. Warehouses and factories, outdated office blocks and ex-seamen's hostels have been imaginatively adapted to residential purposes over the past 10 years, and the trend continues: recently this newspaper's former home north of



the City, an unprepossessing Fifties office block, was converted into luxury apartments. Peter Hall does not deny this tendency; indeed, he seeks to encourage it. But he flatly denies that it can provide the answer to the needs of Gummer's 4.4 million households. "In the South-east, the projections suggest that more than one-third out of the 1.7 million new households should be crammed into London. But the space is simply not there," Hall insists. He estimates that the most promising brown field site in the capital, Thames Gateway (formerly known as the East Thames Corridor), might take 30,000 new homes. "One has to wonder where exactly the remaining 599,400

homes are actually going to be built," he says.

As Professor Hall sees it, there will be no alternative to building new towns in the countryside. This is the nitty-gritty that he must grasp. And the good news, in Hall's view, is that certain entirely fortuitous developments in the railway system will make the attainment of what he calls "the sustainable social city" far more capable of realisation than the rest of us in our premillennial gloom are likely to suppose.

Two simultaneous but unrelated rail developments are the key. One is the Channel Tunnel Rail Link (CTRL) being built by London and Continental Railways, on which Hall has been a consultant since leaving

the DoE in 1994, which, if and when sufficient investment is attracted, will now extend to Rugby and Northampton as well as connecting the Kent coast with London.

The other element is called Thameslink 2000, to which Railtrack is committed, which will connect Cambridge and Stevenage to destinations south of London. "It will be a very sophisticated service," says Hall, "with trains which will be coming from as far away as Bedford and Kings Lynn feeding into a new station at St Pancras and feeding out to the south coast. It will be a relatively high speed service, with trains travelling at up to 110mph. What you will see with these two schemes is a high-speed metro service of a kind that has hardly existed in the world up to now."

These two new high-speed rail links will provide the infrastructural spines for the new communities Hall envisages. The model for such a development is even now taking shape along the route of the CTRL between St Pancras and the Kent coast, in the East Thames Corridor. It was Heseltine's (and Hall's) vision of how the arrival of a high-speed rail link from the Continent could be exploited to revive that huge swathe of land, from London's East End to decaying seaside resorts such as Margate and Ramsgate, that has been in the doldrums for the past 30 or 40 years. According to Hall, the realisation of this plan shows that it is a mistake to think new town type developments are a thing of the past.

"If you look at the snuff that's going on in Thameside, Kent it's really remarkable. Both the

county council and the local Dartford council are very pro-development in that area and they have revived the development plan. They've even taken substantial land out of the green belt, the sacred cow of the British planning system. There will be fights even down there - all the tree people and the tunnel people will come out of the trees and into the tunnels. But in general in Thames Gateway, within the corridor, there isn't that opposition."

The idea that urban planning is no longer possible in Britain, that it is a thing of the past, dates from the mid-Eighties: the fact that Mrs Thatcher wanted to get rid of planning was translated into the public perception that she had in fact done so.

This impression has been heightened by the apparent anarchy of developments such as Canary Wharf in London's Docklands, which sprang up on her watch.

But, as Hall tells it, Thatcher's trusty nose for survival caused her to backtrack from her ambition to abolish planning, when she realised that to do so would be electorally risky. "Although Maggie Thatcher would undoubtedly have liked to shut the planning system down, and almost said so, she never succeeded. Planning, as a negative device, which it has always really been in many areas - defending the rural acres - was actually allowed to survive because trying to dismantle that protection would have

just had them out of office." Professor Hall proposes to give us a new map of the future of England, full of new towns and villages. Because he is a notorious optimist (it's a sunny and refreshing quality), he convinces us that it is going to happen; that the social forces which fuelled the new towns movement after the war did not turn on again like a tap.

What the towns will look like is another matter. In a book he wrote in his youth, *London 2000*, first published in 1963, Hall envisaged a metropolis of "beautiful, wide ways", tall buildings clustering around all the major railway stations, vast pedestrian areas separating traffic from people. Today, while insisting his vision was at least half right, he is more circumspect about describing specific styles or plans for the next 20 years.

Whether the new communities Professor Hall describes will be truly sustainable is a tough question, so-called. Ebenezer Howard's garden city idea, which has inspired Hall throughout his career, was meant to be self-contained and sustainable, but, as Hall admits, all the garden cities and new towns became commuting bases almost as soon as they were built.

True sustainability may as yet be no more than a buzzword, a pious desideratum, which acquires a nasty tinge of authoritarianism. (Five best stay put! don't drive!) when anyone tries to put it into effect. But on one point, Hall is clear: however imperfect a planned solution to the problem of Britain's exploding households may be, it will be far more satisfactory than an unplanned one. "If you don't provide adequately, through a coherent regional plan, I think there are going to be two consequences. You'll get a lot of development anyway, but it will be far worse than if you'd done it properly. You'll get fights going on everywhere, grudging releases of land, probably in the wrong places, not well related to transport, and it will be far worse for everyone than if you had done it properly."

"The second fact is that if you release the land too slowly, the real victims will be the low-income people, who are dependent on social housing, because the market will always operate to give the people with money what they want. The social housing providers won't be able to get the land they need to build the social housing. It will be in the worst possible locations: crammed on contaminated land, badly located, next to noisy railways or roads."

Utopianism may be beyond us these days, jaded as we are. But we can still recognise dystopias like this when they appear on the horizon. The question is whether government will have the vision and resolution to take steps to avoid them.

### A high speed rail link will revive swathes of land

## All at sea with the feel-safe factor

Whether or not Michael Howard ever gets the power to place bugs on unwitting people, we now know that unauthorised bugging of suspicious people already takes place.

I can actually give you an example. For the past few weeks a bugging device has been placed experimentally in Michael Howard's office at the Home Office. Nobody knew it was there except, of course, my mole who put it there in the first place.

Judge for yourself whether it was a worthwhile experiment from these extracts from conversations on the tape, chosen carefully at random by me.

**TAPE EXTRACT ONE**

**Mole:** Testing, testing, testing. One two three... Prison works! Put everyone behind bars! Hang the cost! And hang everyone else as well! Right, let's see if that's working...

**Playback:** Prison works! Put everyone behind bars! Hang the cost!

**Mole:** Perfect.

**TAPE EXTRACT TWO**

**1st Aide:** What's this meeting going to be all about?

**2nd Aide:** Search me. He

can't be announcing more prisons, can he? There's nowhere left to put them.

**1st Aide:** Oh, come on - Howard can always think of somewhere else to put more prisoners. On floating hulks, in old holiday camps...

**2nd Aide:** Underground at road-building projects...

**1st Aide:** What is this mania he has to put everyone behind bars? Hold on - here he comes...

**Howard:** Right, gentlemen, without further ado let's get down to business. And we only have one piece of business in front of us.

**Winning the election!**

**1st Aide:** With the best will in the world, sir, it is no part of a civil servant's brief to help win an election.

**Howard:** To win the election we have to make people feel they're safe with us. I call it the feel-safe factor! And to do this we have to put various feel-safe factors into operation, such as cracking down on illegal immigrants and keeping Myra Hindley in jail for ever.

**2nd Aide:** Isn't there a danger that this may turn people in her favour, sir?

**Do people really think that if she is let out now, she is going to roam the**



Miles Kingston

countryside killing people? I mean, not even OJ Simpson has reoffended...

**Howard:** Are you disagreeing with me?

**2nd Aide:** No, sir. Merely pointing out...

**Howard:** And another thing. If we can pin-point a public enemy for people to hate, that will also bring people on our side. I want you to find out who, in the last year, has committed the most offences in British courts. And name him publicly.

**1st Aide:** But...

**Howard:** Do it, you recalcitrant bastards!

**Sound of slamming door.**

**1st Aide:** Well, I don't know about you, but I thought he

was in an unusually good mood today.

**TAPE EXTRACT THREE**

**Only the two aides are present.**

**1st Aide:** Well, the Myra Hindley announcement hasn't materially altered the opinion polls.

**2nd Aide:** John...

**1st Aide:** Yes?

**2nd Aide:** Has it ever occurred to you that Myra Hindley and Michael Howard have the same initials?

**1st Aide:** No. But why should that...

**2nd Aide:** Well, the Home Secretary seems to have a bit of an obsession with her. I just wondered if in some strange way he identified with her, in a Dr Jekyll and Mr Hyde sort of way. The dark side of the moon...

**1st Aide:** The evil side of his own character...

**2nd Aide:** In their own ways, Hindley and Howard have tried to put away as many people as possible...

**1st Aide:** Are you going round the bend?

**2nd Aide:** Maybe. Sometimes I think I've been here too long...

**TAPE EXTRACT FOUR**

**Howard:** Well, any progress on the naming of the worst offender of the year?

**1st Aide:** Yes, sir. We ran a

search on the name singly most criticised by the courts and... well, bad luck, sir. It's you, sir.

**Howard:** ME?

**2nd Aide:** Yes, sir.

Apparently you have been more ruled out of order and in contempt of the law than anyone else this past year.

**1st Aide:** Shall we put out a press release to that effect?

**Howard:** No, no... Just make the announcement that I am buying lots of floating prisons.

**1st Aide:** Yes, sir. Incidentally, why are we doing this?

**Howard:** Because I want to win the next election and I don't want prisoners voting against us.

**2nd Aide:** But, sir, prisoners don't have the vote anyway.

**Howard:** I'm taking no chances! I'm putting all the likely Labour voters in offshore prisons so that they lose their residential right to vote in Britain as well! Now, move!

**Slamming of door.**

**1st Aide:** Well, what do you say to that?

**2nd Aide:** Roll on the election, I say.

**More tape extracts soon, unless an injunction descends on my mole.**

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## A dangerous game to play with Scotland's future

Stephen Dorrell yesterday threw away the politicians' election rule-book. By even implying that a future Tory government might repeal legislation setting up a Scottish Parliament, he has set a dangerous precedent for his party.

First, he may have given himself a lifelong reputation for Anglo-centric arrogance by threatening to overturn the wishes of the Scottish people as expressed in a future referendum. Second, he sacrificed one of the main advantages of incumbency by being drawn into discussion of how the Tories would behave in the supposedly nameless event of a Labour victory.

But third, and potentially most nerve-racking of all, he exposed his colleagues to an almost limitless series of supplementary questions between now and polling day: what else are they planning to unstick when they return after a putative Labour term in office? Scrap the minimum wage? Remove the European Convention of Human Rights from British law? Hand back the windfall tax? Restore hereditary peers to the House of Lords?

Given that Mr Dorrell has strayed, by way of an interview in *The Scotsman*, into this perilous territory, and given that this ferociously ambitious politician is not in fact an idiot, it is worth asking why he did it. Be suspicious of the term "gaffe". It is part of the small change of party politics. But it frequently describes something more revealing, and certainly more interesting, than mere error.

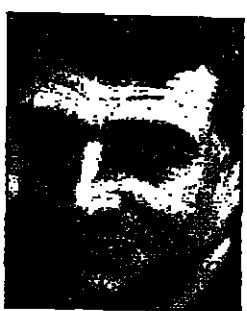
Gaffes are sometimes more premeditated than they look, and even the most serious ones usually happen for a reason. The reason why Mr Dorrell took the risk he did, however unsuccessfully, lies in an inevitable inconsistency at the heart of the Government's approach to the issue of devolution.

For ministers have been relentlessly apocalyptic about the outcome of a Scottish Parliament. Almost in passing, John Major said at his press conference on 7 January that devolution would have "lit a fuse" to an independent Scotland and a direct conflict between the Edinburgh parliament and Westminster. But Mr Dorrell, now appointed Mr Major's wifely under-general on the Constitution, has hinted at even darker consequences.

In a speech to the Centre for Policy Studies in November, Mr Dorrell proceeded to long passage on devolution by referring portentously to the "bloodstained pages of history" and saying that "the last time the British resorted to the use of force to resolve their domestic political differences was nearly 250 years ago... It is precisely their record on continuous evolutionary change which is now under threat from Labour's wide-ranging series of half-baked ideas for the constitution".

In his *Scotsman* interview, Mr Dorrell's only qualification of this was to admit that devolution "need" not lead to civil unrest. But you can still script the screaming party political broadcast now.

Cue Edinburgh, circa 2001. The Labour Party in Scotland, paying the price for the Blair government's deep unpopularity, has been heavily defeated in mid-term elections to the Scottish parliament and a result the SNP is now the biggest single party. Reinforced by a small group of rebel Labour MPs, it has secured a vote in favour of independence in an Edinburgh Parliament which is now in direct collision with the Blair government's insistence that under the terms of the 1998 Scotland Act, Westminster remains sovereign and Edinburgh has no powers to declare UDI. There is clever footage of Belgrade-style demon-



**Donald MacIntyre**  
It doesn't help the Tory case to suggest what is patently implausible: that a future Tory government would scrap the Scottish parliament

strations in the Royal Mile. We see English students at Scottish universities having their rooms ransacked by angry mobs. There have been hundreds of arrests and British troops have been called in to help the police to enforce order. Headlines in the normally sober *Scotsman* and *The Herald* are predicting civil war.

But there is a big problem for those painting the nightmare scenario, beside the obvious point that Scotland has not resorted to civil disorder during 18 years of having legislation imposed upon it by a government it never voted for. Which is that the Scottish Secretary Michael Forsyth last year admitted, with commendable honesty, that it was "fantasy" to imagine that a future Conservative government could turn the "omlette" of a tax-raising Scottish assembly "back into eggs". In other words, the Tories would not dream of repealing a Scottish parliament. And, of course, few, if any, Scottish Tories think otherwise.

Ian Lang, who is even closer than Mr Dorrell to Mr Major, took exactly the same view - in private - when he was Scottish Secretary. And that was before Labour committed itself to the referendum which now makes repeal politically impossible, at the very least without another referendum. And understandably so. One of the reasons that, back in the Seventies, Mr Forsyth and Mr Lang both strongly believed in a devolved assembly was precisely that it could be a vehicle for a Tory revival in Scotland - a country, after all, in which as recently as the Fifties a majority of MPs were Conservative. And that, as they both know very well, still applies.

So that was the problem (one that he himself had played his part in creating) that Dorrell was, perhaps subconsciously, trying to solve: if the Scottish parliament is so catastrophic, why are the Tories pledged to keep it in being?

And it's why, instead of warning that devolution would lead inevitably to a reduced number of Scottish MPs at Westminster, or reduced per capita funding, or whatever, he chose to hint at repeal. But in doing so he not only held out what any sensible expectations must be a highly unlikely prospect, to put it politely, he cut directly across the skillful art that Mr Forsyth has been running in Scotland, inconsistency or not: devolution will be a disaster and what's more, you'll be stuck with it. Indeed one danger for the Tories about Mr Dorrell's remarks to *The Scotsman* is that they may, if anything, make anti-devolutionists feel safer about voting Labour. After all, if it all goes wrong, that nice English Mr Dorrell will come back and scrap it.

Labour's devolution plans remain open to debate, the West Lothian question - namely, whether it would be justifiable to keep a disproportionately high number of Scottish MPs in Westminster voting on English-only legislation, when English MPs would no longer be voting on similar Scottish legislation - has itself been answered by Tony Blair's sensible decision to promise a referendum. There will be continuing disagreement over whether the Scottish Parliament will cement the Union or bring independence closer - as, for their very different reasons, Alex Salmond, the SNP leader, and John Major both claim. But it doesn't help the Tory case to suggest what is patently implausible, that a future Tory government would scrap a Scottish parliament. The sensible course for Mr Major would be to stand Mr Dorrell down and leave the Labour bashing, at least as far as Home Rule is concerned, to Michael Forsyth.

## Polished poetry and glittering prizes

by Ruth Padel

### ICICLES ROUND A TREE IN DUMFRIESHIRE

We're talking different registers of vulnerability here. These icicles aren't going to last for ever suspended in the ultraviolet rays of a Dumfries sun.

But here they hang, a frozen whirligig of lightning, and the famous sculptor I think of in Nevada, at work on the obscure moonscape of a painted desert.

who scrambles the world with his tripod for strangers as nature, got sunset to fill them. Can't be comfortable.

a double helix of opalescent fire stalling round your bark down string on which a sculptor spirals

and welded icicles, working all day for that Mesopotamian magic of last light before the dark,

stiffening a suspended helter-skelter with horizontal rays, turning it to a mist-carousel from the House of Diamond,

a spiral of Pepsodent, darkening to the blue shadowfrost of cedars at the Great Gate of Kiev.

Why it makes me think of opening the door to you I can't imagine.

No one could be less of an icicle. But there it is - having put me down in felt-tip in the mystical appointment book, you shoot that quick inquiry-glance, head tilted, when I open up,

like coming in's another country, a country you want but have to get used to, hot from your *bal masque*.

making sure that what you found before's still here: a spiral of touch and go, lightning

licking a tree, casting itself as Aretha Franklin singing "You make me feel like a natural woman" in *basso profundo*

and firing the bark with its otherworld ice the way you fire, lifting me off my own floor, spiced round your trunk as that tree gyres

up at an angle inside the lightning, roots in the orange and silver of Dumfries. Now I'm the lightning now you, you are,

when you pour yourself round me entirely. No who's doing what and to who, just a tangle of spiral and tree.

You might wonder about sculptors who come all this way for a thing that won't last.

You know how it is: you fever a day, a whole life. Then the light's passed, you walk away to the Galloway Paradise Hotel.

Pine-logs, cutlery, champagne - OK, but the important thing was making it. Hours, and you don't know how it'll be.

Then something like light arrives last moment, at speed reckoned only by horizons: completing, surprising with its three hundred thousand kilometres per second.

Still, even lightning has its moments of panic. You don't get icicles catching the midwinter sun in a perfect double helix in Dumfrieshire every day.

And can they be good for each other, lightning and tree?

It'd make anyone, wouldn't it, afraid? That rowan'd like to sleep and wake up in your arms but's scared of getting burnt.

And the lightning might ask, touching wood, "What do you want of me now we're in the same atomic chain?"

What can the tree say? "Being the centre of all that you are to yourself, that'd be OK. Being my own body's fine

but it needs yours to stay that way." No one could live for ever in a suspended gleam-on-the-edge, as if sky might tear any minute.

Or not for ever for long. Those icicles won't be surprised any more. The string blew away. Glamour left that hill in Dumfries.

The sculptor went off with his black equipment. Adze, twine, leather gloves. What's left is a photo of a completely solitary sight

in a book anyone can open. And whether your touch at the door gets forgotten or turned into other sights, light, form,

I hope you'll be truthful to me. At least as truthful as lightning, skinning a tree.



Photograph: from 'Wood' by Andy Goldsworthy (Waking, 2000)

Poets are minor carnies, preying on their own (and everybody else's) vulnerability. Vulnerability is poetry's stock-in-trade. Now a poem about it has won me first prize in the National Poetry Competition: an unenviable-looking £4,000, half of it tax-free. (Only half, because I entered myself. If my publisher had done it, it would be all tax-free.)

Weird. It's not what poems usually do. You work away obsessively several days then tinker over weeks, alternately thinking "This is great" "What a mess". Then suddenly it doesn't want you any more. When a poem wins something you look at its words (I now know) with a new eye. They take up the same space on a microchip, but how much is each worth? I tried to work it out but got dizzy. If I had cut a word, would the ones left be worth more?

Poems don't get that sort of money. They get a bit, never commensurate with work done on them: £25 plus a poetry magazine; £100 from a national newspaper. Four thousand pounds is incommensurate the other way.

I nearly didn't send this poem in. It took a month after seeing Andy Goldsworthy's sculpture in *The Independent* on Sunday to beat into any shape,

putting someone at ease with Bollinger by calling for stout. "We'll exchange it for a bit." But I'll stick with the pen.

"Avoid bearing down too hard when writing," says its instructions. I couldn't part with a pen that tells me that. It has a "special highly expressive nib" and describes what you're always wanted to know, "the ideal writing position". The mystical filling-instructions include a drawing of an aeroplane. "Always fill your pen completely before travelling by air." Mont Blanc, you see, knows poets write flight-poems under the influence of tree spirits.

My pen has a white marigold at the tip, is "designed to fit comfortably in the hand" (Andrea was afraid it might be too big for mine) and "provide a lifetime of writing pleasure". To men, apparently - the illustrations have a man writing to his mate. Bob, about strenuous chess problems. The nib, "adorned with intricate platinum inlay", has a "handmade tip of iridium alloy, finer than gold and significantly harder than steel". Wonderful. Wonderful. But I'm worried I might start writing like a man. "The poet Joachim Ringelnatz gave this pen his ultimate tribute". This phrase (echoes of *Fanny Hill*) means a four-line address to his awe-inspiring tool.

My pen wants to be polished with a jeweller's cloth, an attention you could give words instead. I always got C for handwriting and have never had a mature relationship with any ink-filled object. I'm not their type. I suppose I'll learn. I've had it five days now but had too much work (on a laptop) to begin with proper awe. One day, I'll fill it.

A real pen, first prize out of 7,000 anonymous poems, money to fill your overdraft - this is what people dream of when they try an Arvon poetry course or a workshop listed in the pages of *Poetry London Newsletter*. (Catch the launch-reading for the next issue, on 27 February, in London's most spookily glamorous venue, the Old Operating Theatre.)

"You'll have to write differently now," says Chris Meade, helping me look at my pen.

Chris runs the Poetry Society, its crimson basement, the Poetry Map on the Internet, the award-winning Poetry Café. Well Chris, thanks for everything. When I write now I promise I'll try out recommended positions, and not bear down too hard.

## Easier to find servants than entrepreneurs

The first of a new series dispelling the economic nostrums on offer from the political parties

It is the Government's favourite mantra, one of the most irritating and empty phrases ever coined by a speech writer. "Britain is the Enterprise Centre for Europe." Not only does it sound like an over-literal translation from a foreign language, a phrase from one of those glossy promotional brochures that overseas tourist boards like to hand out. It is also untrue.

Well, this conclusion does perhaps involve loading the phrase in question with more meaning than it can bear. Does it mean that Britain has more entrepreneurs than anywhere else in Europe? Or that entrepreneurs from around Europe like to take their holidays here?

This might be logical, but ministers' repetition of the phrase suggests that they want it to signify something more important. It indicates a belief that the British economy is more successful than most because of its entrepreneurship. Unfortunately there is not much evidence that this is so.

The rate at which small businesses start up looks impressive, but their failure rate is almost as high. Not many small companies grow up into big ones. Think of some of Britain's best-known and most successful entrepreneurs. Anita Roddick's Body Shop is one of them. More than 20 years old now, it is only the 302nd biggest company listed on the stock market.

Richard Branson runs Virgin, one of the biggest private companies in the

UK, and one of the best-known internationally. There is no doubt that it is one of Britain's biggest entrepreneurial successes. But the airline Virgin Atlantic makes up most of the business and accounts for most of the profit. The more exciting and innovative Virgin businesses are tiny.

The recent huge international successes might not be Continental, but they are not British either. The giants of enterprise, such as America's Microsoft and Netscape, or Germany's Siemens and Daimler, completely outshine the small British technology firms.

Research by Warwick University's Centre for Small and Medium Sized Enterprises shows that in a six-year period the number of new businesses that survived amounted to only 1 per cent of the total number of all companies. This puts Britain behind Austria, Belgium, Germany, Ireland, the Netherlands and Switzerland as an enterprise centre.

That leaves, as the most solid footing for the Government's claim, the notion that overseas investors like to build their factories in this country rather than on the Continent. Inward investment in the UK has indeed been running at record levels. One catch, however, we have to go over the fact that outward investment by British companies has also reached a record level, with the UK investing twice as much abroad as abroad is investing here.

The UK's success in attracting for-



by Diane Coyle



ign investors also relies on the lure of labour that is cheap for its level of productivity and skill. Others can play the same game, with Ireland and Spain inside the EU and the Czech Republic and Poland on Germany's eastern border offering stiff competition on the same territory.

Besides, to focus on the activities of foreign manufacturers gives an entirely misleading impression of the force driving the British economy. Britain is Europe's domestic service capital.

Yes, servants. When it comes to domestic staff, the UK has been creating jobs like nobody's business. Fallen City star Nicola Horlick is not alone in employing nannies and cleaners. According to official statistics, domestic service has been the fastest-growing sector of the economy since the trough of the recession five years ago, up by more than a third in terms of activity. This puts it ahead of various other rapidly expanding and possibly entrepreneurial industries such as air transport, computer services and telecommunications.

What's more, experts predict it will continue to be the fastest-growing area of employment. Warwick University's Institute for Employment Research predicted recently that the main areas of employment growth between now and 2001 will be professional occupations and administration on the one hand, and "personal and protective services" on the other.

This latter category is a mixed bag of jobs which includes domestic services, but also carers, private security guards and people serving fast food. It is the McJobs bit of the economy, with much of the work part-time or temporary, and almost all of it low-paid.

There are already more employees in this category, at 2.75 million out of a workforce of nearly 26 million, than in the professions, working in factories or working as salespeople. The report predicts that employment in personal services will grow by more than 4 per cent a year compared with declining employment in a majority of the other occupational categories.

According to Rob Wilson, editor of the Warwick University study, one explanation for the trend is the shrinking importance of manufacturing, which now makes up less than a quarter of the economy in this country. That means that whatever new jobs there are will be in the service industries. But within services, he says, "the way work is organised has tended to polarise between occupations requiring higher qualifications and unskilled jobs".

Britain's increasingly *Upstairs, Downstairs* economy could pose real social problems. As Dr Wilson points out, an increasing number of households are existing on very low pay. The UK has already seen since 1980 the biggest rise in earnings inequality in the industrialised world, making it the undisputed inequality centre for Europe.

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## National Express is preferred bidder for ScotRail franchise

Randeep Ramesh  
Transport Correspondent

National Express, the coach and rail group, was announced yesterday as the preferred bidder for ScotRail, which runs trains north of the border.

The decision marks the end of the franchising process after a spurt of activity in January saw four franchises sold off in one day. Civil servants admit that the impending election has

forced the pace of the sell-off. The only remaining franchise in public hands is Regional Railways Central, which runs services from Wales to East Anglia. Managers from First Bus and National Express were meeting last night to present their final bids. A decision is imminent.

ScotRail's service will be heavily regulated by the Strathclyde Passenger Transport Authority, which is expected to rubber-

stamp the decision a week on Friday.

National Express beat off rivals Stagecoach, the bus and rail group, Prism, the quoted train company, a management buy-out bid and a consortium including Go Ahead bus group.

Stagecoach was thought to stand little chance after officials announced it would be referred to the Monopolies and Merg-

ers Commission if it won. Although the bus company has a 20 per cent share of the Scottish bus market, Brian Souter, the company's executive chairman, said his company would not have bid if there had been insurmountable problems.

The Scottish rail service generates more than £110m in ticket sales, but also requires a substantial subsidy of more than £240m - mostly to keep its "socially necessary" routes going.

ScotRail could have proved politically difficult to sell as councillors were initially opposed to the sale. However, Patrick Hetherington, the Opra official handling the sale, managed to talk round most of the sale's opponents.

Labour-controlled Strathclyde PTA was also instructed by party officials not to delay the letting of the franchise. The party leadership was concerned that having a single train oper-

ating company in the public sector could become a political embarrassment after a Labour victory.

National Express has already successfully attracted passengers on to its Midland Mainline services carrying passengers from London to Leeds with innovative new fares and is now one of the largest groups controlling Britain's railways.

With ScotRail, which is the company's fourth franchise, the

company's rail team will have met senior managers' target of a passenger revenue stream of £300m.

The group has ambitious plans for ScotRail, including new rolling stock and a refurbishment programme. The company is also considering building a new station at South Dalgely in Fife and looking at plans for an airport link from Glasgow airport to the city centre.

ScotRail will prove a difficult railway to run. Almost half its

revenue comes from the Strathclyde area, where ticket prices are largely controlled by the passenger transport authority.

However, a high frequency service between Edinburgh and Glasgow could attract passengers from the congested motorway that links the two cities.

The leisure market, analysts predict, will be another profit centre. ScotRail runs the Forth & Clyde sleeper service and many of the highland routes.

## Bank increases pressure on Clarke with renewed demand to raise rate

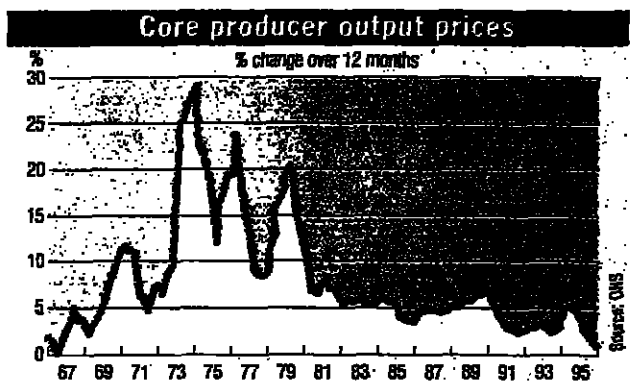
Diane Coyle  
Economics Editor

The Bank of England is poised to raise the stakes in its clash with Kenneth Clarke with a renewed demand, in its Inflation Report tomorrow, for interest rates to rise. But the Chancellor is now widely expected to put politics first and avoid increasing borrowing and mortgage costs before the election.

Treasury officials admit privately that the Chancellor has not paid any attention to their internal advice for some weeks. "We don't know ourselves what he's going to say when he goes into the monthly meetings," said one.

Some Treasury officials, like the Bank of England, believe that the strength of the economy means base rates ought to rise to keep inflation on course for its target in the longer term.

One Treasury adviser, "wise person" Tim Congdon of Lombard Street Research, went further yesterday. In a report to clients he wrote: "British monetary policy is deviant and irresponsible, just as it has been



remained below last summer's rapid pace.

The British Retail Consortium said the strong pound meant tourists visiting London were doing less shopping. Food and drink sales were weak but the sales performance in other areas was good. Andrew Higgins, chairman of the BRC's economic affairs committee, said: "The latest figures point to a healthy picture for the economy as a whole. The value of retail sales has now stabilised."

Separately, official figures yesterday showed that the increase in "core" prices charged by manufacturers was 0.6 per cent in the year to January, the lowest rate of inflation at the factory gate since 1967. Output prices rose 0.3 per cent during the month before adjusting for normal seasonal variations - a very subdued increase at the time of year when manufacturers usually push through increases in their list prices.

A decline of 0.6 per cent in the price of raw materials in January, in large part due to the strength of the pound, helped explain the extremely good output price-inflation figures. This took them to a level 6.2 per cent lower than a year earlier.

Analysts in the City said the latest economic news had vindicated Mr Clarke in the eyes of the financial markets.

"These figures were truly excellent from the Chancellor's perspective," said David Owen, an economist at Kleinwort Benson. "The exchange rate is clearly having a bearing on the economy."

Michael Dicks, UK economist at investment bank Lehman Brothers, said: "The Bank of England will have to make out the case for ignoring the rise in sterling since its last Inflation Report. It will not be as persuasive this time around."

Although some City experts agree with the Bank - and Treasury - view that base rates should go up now for the sake of the longer-term inflation target, most expect to see very favourable inflation figures for the next few months. "Short-term there is no reason to worry about inflation," said Kevin Darlington at Hoare Govett.

on so many occasions in the past. It will lead over the medium term to higher inflation."

However, recent weakness in some of the monthly economic statistics has given Mr Clarke plenty of ammunition. The Chancellor could not conceal his delight at figures yesterday showing that inflation at the factory gate had fallen to its lowest for a generation.

"As I was driving to work this morning the producer price data were released, which were staggeringly low," the Chancellor said. In a speech yesterday

he said economic prospects were the best in living memory.

Mr Clarke said the recovery had reached all regions, which meant it could be sustained for longer. "It means the economy can sustain higher levels of activity without running into inflationary buffers," he said.

There was additional support yesterday for his decision not to increase interest rates after last week's monetary meeting from a survey of high street retailers. This showed that retail sales growth picked up last month after a weak December but

## G7 view of exchange rates boosts dollar

The dollar gained ground after an early dip yesterday as financial markets absorbed the meaning of the weekend's communiqué on exchange rates from the Group of Seven (G7) industrial countries, writes Diane Coyle.

An upbeat annual report on the economy from the White House's Council of Economic Advisers confirmed the market sentiment that the underlying state of the US economy warrants a strong dollar.

The G7 statement said "major misalignments" in exchange rates the ministers had decided to tackle in April 1995 had been corrected. This was seen as a signal that they would be unhappy if the dollar strengthened very much further

against the yen and mark, but equally were not about to intervene in the foreign exchange markets.

The view that the dollar's recent appreciation reflects economic fundamentals was boosted by yesterday's Economic Report of the President, which saw no sign of recession on the horizon. "There is no foreseeable reason why this expansion can not continue," it said.

The tone of the report, issued each February, was extremely optimistic. "The ability of the economy to sustain low unemployment and low inflation is the best it has been in years," it said, claiming that the rate of unemployment below which wages and prices would start to

pick up had fallen and could decline further.

US unemployment has been below 6 per cent, the rate which economists used to think marked the start of the inflationary danger zone, for more than two years. The Council of Economic Advisers is in good company in its view that the so-called "natural" or "non-accelerating inflation" rate of unemployment has fallen.

The Council concluded that the economy's potential growth rate is higher than the 2.3 per cent average predicted for the next five years. "The administration does not think that 2.3 per cent real growth in the long term is the best the US can do. The outcome could be even better."



Andrew Regan: Thought to be keen to buy some of the Co-Op's non-food interests

## Lanica suspended amid muddle over Co-Op deal

Nigel Cope

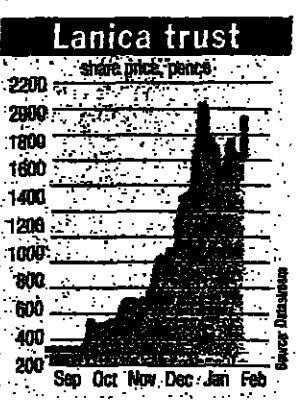
The strange tale of Lanica Trust, the tiny investment vehicle, took a fresh twist yesterday when its shareholders in the company's shares were suspended ahead of a planned approach to the Co-Operative movement about buying some of its non-food operations.

The suspension followed volatile early trading in Lanica shares which saw the stock soar a further 313p before dealings were halted at 1950p. The surge was the latest in a series of wild movements in the shares which were trading at just 116p last September when 31-year-old entrepreneur Andrew Regan bought a controlling stake.

The Stock Exchange said it will be seeking further discussions with Lanica but had not launched a full scale inquiry.

In a bizarre sequence of events the shares were suspended before Lanica had held a single conversation with the Co-Op about a possible £500m deal and before the Co-Op was even aware of the interest.

But after news of Lanica's intentions leaked over the weekend, the Guernsey-registered group was forced into issuing a



statement to the Stock Exchange yesterday. It said it had sent letters to the chief executives of both the Co-Operative Retail Society and its larger sister, the Co-Operative Wholesale Society saying it wished to discuss the possible purchase of the certain non-food businesses of the societies.

Lanica's advisers said its ap-

proach had received a "very courteous response".

This view was at variance with a tersely worded statement from the Co-Op which rejected Lanica's overtures outright. It said: "The CWS has today written to its members giving them an assurance that the CWS has not been in discussion with Mr Regan, does not have the details of what his aspirations are and has no plans to dispose of CWS businesses or assets to him or his investment company."

The Co-Op said it had received no contact from Mr Regan before yesterday's approach, not even a telephone call. "The first [the CWS] learnt of his impending approach was via a leak to a newspaper," it said.

Mr Regan, the son of Spring Ram chief executive Roger Regan, was preparing for a holiday in Barbados yesterday and was unavailable for comment. However, it is thought that he is keen to prepare a £500m deal that could see Lanica buy some of the Co-Op's non-food interests.

Comment, page 21

## Safeway raises card war stakes

Peter Rodgers  
Financial Editor

Supermarket competition in financial services was stepped up yesterday when Safeway launched a new interest-paying plastic card, ahead of its partnership with Abbey National.

The announcement came as Safeway's confirmed that it had received authorisation from the Bank of England to operate its planned joint venture with Bank of Scotland. Safeway's Bank, which will be launched before the end of March, will be 55 per cent owned by the supermarket group.

Safeway has stuck closer to the concept used by Tesco with its Club card, by putting its brand name on a card operated by an existing bank, rather than setting up its own bank.

Safeway said it hoped its ABC bonus account card would attract new customers as well as buy the loyalty of existing ones.

Ian Mumby, director of business development at Britain's third largest supermarket group, denied that Safeway was following a trend to move into financial services.

"I think we're doing something quite different from what our competitors are doing. So I would say we're not following, we're leading," he said.

The Safeway account offers 5 per cent pre-tax interest on balances of up to £600. Customers will be able to use the card at Safeway and any of 70,000 stores that accept Visa's Electron on-line debit card.

Cardholders will also collect points when shopping at Safeway, with extra points during the first 12 weeks the account is open.

The cards can be used to withdraw cash from Abbey National's machines and 20,000 others, and customers will have access to a 24-hour telephone banking service.

Safeway said a range of other financial services would follow, which could include a current account with an overdraft and a credit card.

Safeway is working with Abbey towards providing banking within its stores, and other financial services such as personal loans and household insurance.

## American and BA plan co-operation strategies

Michael Harrison

British Airways is examining ways to begin co-operating early with American Airlines even though regulatory hurdles in the US and Europe are likely to hold up the formal launch of their transatlantic alliance until late this year.

The news came as BA celebrated a decade in the private sector with record third-quarter profits and a special offer of 200 return tickets on Concorde for just £10.

Among the options being considered by BA and Ameri-

can are to begin sharing facilities at Heathrow and American's US hubs and joint marketing initiatives. BA executives said there were a number of areas in which they could collaborate in advance of the alliance being given anti-trust immunity by the US authorities.

They also expressed confidence that any link-up between American and the Spanish flag-carrier Iberia would not jeopardise the alliance. "Iberia would be a pretty odd bedfellow for us and doesn't have the right image but we do not think American would do anything that would

create difficulties for our alliance," one BA executive said. BA's code-share agreement with USAir expires at the end of March but BA and American are unlikely to get the go-ahead to merge their transatlantic services until the autumn. The link-up is being examined by both the European Commission and the US Justice Department and Department of Transportation. The European Competition Commissioner, Karel van Miert, has warned he may take Britain to the European Court unless tougher conditions are imposed on the deal.

Mr Van Miert is also contesting BA's right to sell off runway slots as the price for getting regulatory approval, as this would amount to a backdoor form of state aid for airlines. The loss of the USAir link-up will deprive BA of an estimated £100m in extra profits. But as from this week BA is free to sell its 24.6 per cent holding in the carrier to other investors in a move which should allow it to at least recoup its original £250m investment. BA wrote down the value of the shareholding to £125m in 1995. USAir has until the end of this

week to repurchase the stake itself. Assuming that it decides not to, BA will begin negotiations with its advisers to dispose of the shareholding, probably through a placing in New York. The sale may not be completed in the current financial year.

Meanwhile, the BA chairman Sir Colin Marshall said he expected the economic growth that had fuelled record airline profits in 1996 to continue this year. BA, he added, remained on track to achieve £1bn of cost savings by the end of the decade through its business efficiency programme.

He was speaking as BA reported a 9 per cent advance in pre-tax profits to £113m for the three months to the end of December. The improvement came despite a 34 per cent rise in fuel costs which increased BA's fuel bill by £56m and reduced operating profits to £131m.

The Concorde offer will cost BA £1m in lost ticket revenue. The £10 return represents a saving of £5,400 on the current round fare. The tickets go on sale from 10pm tonight to the first callers to ring a special number: 0345 222111.

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## American faces pilots' walk-out

David Usborne  
New York

Last-ditch talks began yesterday to try to avert a potentially crippling pilots' strike at American Airlines. A walk-out would ground American, the largest domestic carrier in the US, and bring misery to travellers.

American, which is seeking regulatory approval of its proposed partnership across the Atlantic with British Airways, has warned that a walk-out would cost it in the region of \$1bn (£610m) a month, which would wipe out recent profits.

Unless a settlement is achieved at so-called "supermediation" talks in Washington DC under federal government auspices, the pilots' union, the Allied Pilots' Association, has vowed to declare a strike at midnight this Friday. Union officials have put the likelihood of a strike at about 50-50.

A strike could have a damaging ripple effect throughout the US economy. American accounts for about 20 per cent of US passenger travel and has a large share of freight and mail traffic. Most concerned are cities that are American hubs, like Miami, Chicago and its home base, Dallas-Fort Worth. It would also cast a chill over

both the Caribbean and Latin America, two regions where American is the pre-eminent US carrier.

In preparation for the worst, American has already prepared redundancy notices for 90,000 employees who would be placed on emergency unpaid leave. Also grounded would be American Eagle, the carriers company subsidiary.

The company, which is headed by the frascible Robert Crandall, has also drawn \$1bn from an existing credit line and borrowed an additional \$1bn - with its entire fleet as collateral - to provide it with a cash cushion to ride through a strike.

At issue is the pilots' demand for an 11.5 per cent pay rise over the four-year life of a new contract. American, which reported record profits in 1996, is offering 5 per cent. "We are faced with two disastrous alternatives - unacceptably high costs or cessation of operations," Mr Crandall wrote in a memo to employees.

For travellers, it is a nightmare scenario. Friday also marks the start of a public holiday, the "President's Day" weekend, and the start of half-term for many schools. A strike could leave thousands of travellers either unable to travel or stranded away from home.

# STOCK MARKETS

## FTSE 100

Year	Index
1995	4200
1996	4300
1997	4300-4400

## Dow Jones

Year	Index
1995	9000
1996	9200
1997	9200-9400

## Nikkei

Year	Index
1995	12000
1996	14000
1997	14000-16000

\*Data Japan index 5 days of 1997 issue

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## Indices

Index	Close	Day's change	Change(%)	1996/97 High	1996/97 Low	Vol(96)
FTSE 100	4307.70	+0.10	-0.0	4307.80	3632.30	3.60
FTSE 250	4596.70	+4.60	+0.1	4596.80	4015.30	3.30
FTSE 350	2128.10	+0.40	+0.0	2128.10	1816.60	3.55
FTSE SmallCap	2326.31	+4.23	+0.2	2326.31	1954.06	2.92
FTSE All-Share	2100.56	+0.68	+0.0	2100.56	1791.95	3.50
New York	6852.34	+3.48	-0.1	6853.90	5032.94	1.95
Tokyo	18181.17	+314.13	+1.8	22068.80	17303.05	0.901
Hong Kong	13643.54	+16.96	-0.1	13658.24	10204.87	3.091
Frankfurt	3184.36	+46.35	+1.5	3184.36	2253.35	1.501

Source: FT Informator

INTEREST RATES																																															
<b>Short sterling*</b> 				<b>UK medium gilt†</b> 				<b>US long bond</b> 																																							
<small>* 100% Stock Series contract</small> <b>Money Market Rates</b> <table border="1"> <thead> <tr> <th>Index</th> <th>1 Month</th> <th>1 Year</th> </tr> </thead> <tbody> <tr> <td>UK</td> <td>6.12</td> <td>6.68</td> </tr> <tr> <td>US</td> <td>5.34</td> <td>5.75</td> </tr> <tr> <td>Japan</td> <td>0.50</td> <td>0.41</td> </tr> <tr> <td>Germany</td> <td>3.28</td> <td>3.28</td> </tr> </tbody> </table>				Index	1 Month	1 Year	UK	6.12	6.68	US	5.34	5.75	Japan	0.50	0.41	Germany	3.28	3.28	<small>† Treasury 100,000</small> <b>Bond Yields*</b> <table border="1"> <thead> <tr> <th></th> <th>Medium Bond (%)</th> <th>Year App</th> <th>Long bond</th> <th>(%) Year App</th> </tr> </thead> <tbody> <tr> <td>UK</td> <td>7.16</td> <td>7.63</td> <td>7.24</td> <td>7.78</td> </tr> <tr> <td>US</td> <td>6.40</td> <td>5.63</td> <td>5.70</td> <td>6.12</td> </tr> <tr> <td>Japan</td> <td>-</td> <td>1.85</td> <td>-</td> <td>-</td> </tr> <tr> <td>Germany</td> <td>5.61</td> <td>6.09</td> <td>6.43</td> <td>-</td> </tr> </tbody> </table>					Medium Bond (%)	Year App	Long bond	(%) Year App	UK	7.16	7.63	7.24	7.78	US	6.40	5.63	5.70	6.12	Japan	-	1.85	-	-	Germany	5.61	6.09	6.43	-
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MAIN PRICE CHANGES																																															
Indices		Price (p)		Change (p)		Falls		Price (p)		Change (p)																																					
Stock Television		596.5	30	5.3	Bristol Iron		445	30	6.3	Steel																																					
Electricity Int'l Trust		486.5	20.5	4.4	Sumit		200	7.5	3.6																																						

CURRENCIES											
£/\$			£/DM			£/¥			£/A\$		
Rate	Yesterday	Change	Rate	Yesterday	Change	Rate	Yesterday	Change	Rate	Yesterday	Change
£/\$	1.6334	+0.0006	£/DM	0.6122	-0.0006	£/¥	163.22	+0.01	£/A\$	0.6122	-0.0006
\$/£	0.6122	-0.0006	\$/DM	1.6334	+0.0006	\$/¥	6.1222	-0.01	\$/A\$	1.6334	+0.0006
DM/£	1.6334	+0.0006	DM/\$	0.6122	-0.0006	¥/£	163.22	+0.01	¥/\$	6.1222	-0.01
A\$/£	0.6122	-0.0006	A\$/¥	163.22	+0.01	¥/A\$	6.1222	-0.01	¥/£	163.22	+0.01

New York exchange rates and UK Stock Exchange, 12/01/95

Pound				Dollar			
Yesterday	Change	Year Ago		Yesterday	Change	Year Ago	
£ (London)	1.6334	+0.0006	1.6330	\$ (London)	0.6122	-0.06	0.6627
£ (New York)	1.6140	-1.78c	1.5305	\$ (New York)	0.6186	+63c	0.6534
DM (London)	2.7058	-0.90c	2.2653	DM (London)	1.6565	-1.57c	1.4774
¥ (London)	200.631	31.74	183.865	¥ (London)	122.830	-51.82c	186.956
\$ Index	97.0	-0.2	84.1	\$ Index	102.7	up 3c	96.2

OTHER INDICATORS					
Yesterday	Day's Change	Year Ago	Index	Latest Yr Ago	Next Figs
UK Retail \$	20.70	-0.97	16.78		
Gold \$	341.20	+0.85	406.50		
GDP	154.4	+2.5pc	150.6	13 Feb	
RPI	108.9	+2.3pc	105.7	27 Jan	

MAIN PRICE CHANGES									
Prices	Price (p)	Change (p)	Change%	Falls	Price (p)	Change (p)	% Change		
Scott Television	596.5	30	5.3	British Gas	445	30	6.7		
Electra Inv Trust	486.5	20.5	4.4	Bunzl	200	7.5	3.6		
NFC	164	6.5	4.1	T & N	157.5	5	3.1		

1.50 من الراجحي





COMMENT

'Paradoxical as it seems, giving the Bank its independence is the best way to make monetary policy less arbitrary. Its independence will be required eventually in any case if Britain decides to join the single currency'

# Labour shows the way forward for the Bank

Are interest rates safe in his hands? Kenneth Clarke says they are. He can point to the mix of low inflation and steady monthly economic statistics. Perhaps he will turn out to be right. But the point is that the reins of monetary policy should not rest in his hands alone. The arrangements rushed in after the failure of Britain's ERM policy in 1992 were supposed to create an institutional framework that would restore the credibility of policy and make the judgements less arbitrary. They have failed on both counts.

The arbitrariness is displayed by Mr Clarke's cheerful dismissal of advice from both the Bank of England and his own officials. In fact, he has disagreed with the Bank for most of the past two years. For part of 1995 and again since last May, the Bank has been much more hawkish - and with reason if you remember that inflation has only been below its 2.5 per cent target for two months during that entire period. Now many Treasury economists have come to share the Bank's diagnosis, and Mr Clarke turns out to be ignoring them too.

As for credibility, its absence is clear in the verdict of the financial markets. The British Government has to pay a lot more to borrow money than any other European government apart from that of Greece. Nor have inflationary expectations in Britain changed very much. There is a simple way of measuring this - by comparing the yield on index-linked and conventional gilts - and

it has fallen only slightly, with UK inflation expected to be above 4 per cent on a 5-10 year horizon.

A new Labour government would set the Bank of England on the road to independence by introducing a Monetary Policy Committee consisting of the Governor, Deputy Governor and six directors reporting to a more broadly-based Court of the Bank of England. If it worked well, the Bank would earn its independence.

Paradoxical as it seems, giving the Bank its independence is the best way to make monetary policy less arbitrary. Its independence will be required eventually in any case if Britain decides to join the single currency. But whether this happens or not, Labour's proposals would, shorn of their vagueness, be a huge improvement over the present arrangements. These have turned out not to check at all the untrammelled decisions of a Chancellor bowing to political pressures.

A broader - but sensible - range of appointments to the Bank's Court, a policy committee which could deliberate and report in secret, and therefore with honesty, but its minutes published with a delay; and ultimately an independent Bank - it is hard to see the flaw in what Labour is proposing.

If there is one, it would surely lie in the Chancellor's ability to pick and mix the advice of the monetary committee. If the committee were divided, for instance, he could choose the option that most suited him politically. The beauty of the present system

is that the Governor's advice is unambiguous. That said, however, these reforms would be a clear advance.

## G7 cannot hold back the tide

There was something Camille-like about the cheery statements from the finance ministers who emerged from the G7 meeting this weekend. That's great, they cried to the foreign exchange markets, but don't move any further. Like the Danish king thanking the sea for washing his toes, but warning it not to tickle his ankles, they didn't sound particularly convincing.

The G7 finance ministers were right back in April 1995, when they collectively decided to take the steam out of the yen and the mark. The slow steady rise of the dollar since then in any case reflects the healthier US economy compared to its European and Japanese counterparts. But the idea that the trend will stop here simply isn't plausible.

When credible authorities announce that the economic fundamentals demand a particular (if broadly defined) correction in exchange rates, and convincingly convey their determination to get it by intervening in the markets, then traders take note. Why waste your time betting on a rising dollar if you know the Federal Reserve and the Bank of Japan have the power and the confidence to prevent it happening?

But that is not what is going on here. For a start, the G7 ministers made no mention of co-ordinated intervention this weekend.

More important, even if the finance ministers and central bankers had discussed building a sea wall, the chances are the markets wouldn't have taken them seriously for long. The US economy is growing well, and its fiscal position is strong. Across the Pacific on the other hand, the Japanese are slowly and painfully adjusting their economy to cope with the competitive pressures of the next century. While they are struggling, the yen will remain fragile.

This may be the time for the G7 to start thinking seriously about "target trading zones" for their currencies. Sounds a bit like a global version of the ill-fated ERM, doesn't it? But actually that is the implication of what finance ministers said this weekend. They want exchange rates broadly where they are for the time being. But are they prepared to do what the markets require in terms of intervention and policy to keep them there?

## This man is not the next Lord Hanson

Is this a ramp, or what? It is hard to see how the astonishing rise over the last six months in the Lancia share price can be justified, other than on a wing and a prayer. Even if Andrew Regan does turn out to be

the high achieving entrepreneur true believers think he is, even if he does manage to pull off a deal with the Co-op and follow it in swift order with others, and even if he does transform those businesses into something they are not at the moment, can he really expect to vindicate the £97m of hope presently invested in the company's stock market value.

If you take the view that Mr Regan is the next Lord Hanson, then possibly. But actually, there's not much reason, so far, to think he is. For a start, he's only 31 years old, and as hefts someone of that age, his record of deal making is unspectacular. Right now there's lots of noise and speculation but not much action.

First there was the bid that never was for the mail order firm Freemans. Now this Co-op business. Billed as the deal of the month in a leading Sunday newspaper, the whole thing turned rapidly to farce yesterday. As it happened the Co-op hadn't even been approached. Letters were rapidly drafted and dispatched, but then ... well actually we don't want to sell anyway, so get lost.

Mr Regan's supporters say he's a serious guy, he's got some good ideas and backers, and one day soon he'll pull off something big. So far, there's scant evidence of it, however. This is one of those cases of the stock market's propensity to back the man, rather than the company and its business. Steer well clear, for unless you know exactly what you are doing, you'll get your fingers badly burnt.

# Electricity firms 'may have to delay competition'

Chris Godsmark  
Business Correspondent

The electricity industry regulator may have to consider delaying the launch of domestic competition, planned to start in April 1998, rather than developing special contingency plans, according to a leaked report commissioned by its department, Ofgem.

The document, submitted last month by PA Consulting Group, Ofgem's programme manager for competition, also warns that the two preferred contingency arrangements may be so time-consuming and complicated that they may fail to work on time.

The latest disclosure about domestic competition follows comments last week by Professor Stephen Littlechild, the regulator, arguing that the complex process of transferring customers to alternative suppliers might have to be done manually if newly developed computer programs break down. Ofgem's plan envisages a rolling programme extending competition to 20 million homes between April and September next year.

PA Consulting was asked by Ofgem to come up with contingency plans after growing doubts about whether the industry would meet this

timetable. Its report, which has been seen by *The Independent*, warns: "Delaying the launch of the competitive electricity supply market is a possible option for all scenarios. Before contingencies are invoked, the relative benefits of contingency versus delaying the launch



could be considered." It goes on to outline various possible contingency arrangements which would give customers the ability to move supplier even though the systems to manage the process had not been fully developed.

The report says Ofgem will have to decide which plan to adopt by May, with a final decision on whether to implement the temporary arrangements due in September.

The first option involves new suppliers signing temporary bilateral agreements with the regional electricity companies, a

solution apparently favoured by Professor Littlechild. Existing bills would be sent out by the RECs in the usual way, except that they would go to the new supply companies rather than to households. However the PA report says these new contracts would have to be kept simple and concludes: "The major concern is that resolving [this] will take too long and the solution will become over complex."

The alternative contingency plan envisages developing temporary trading arrangements between suppliers and the Electricity Pool, the body which manages the wholesale power market. The PA document also doubts whether this would work. "This option may require changes to the Pool commercial arrangements, including the Operational Framework. Obtaining Pool members' agreement to such changes may prove extremely time consuming, if not impossible, to achieve."

Professor Littlechild insisted last week that competition could be made to work on time without the need for such fallback arrangements. However management consultants advising the RECs have suggested that at least a third of the 14 com-



Power plans: Professor Stephen Littlechild says competition can be made to work without contingency schemes

panies involved - 12 in England and Wales plus two in Scotland - are unlikely to have their computer systems ready in time. The fear inside the industry is that the contingency plans may be just as difficult to sort out. The warnings of PA Consulting have been echoed by Andrew Claxton, chief executive of the Pool, which is spending £50m preparing for competition. He told a recent industry conference that the contingency plans could be so unattractive

that they would put off new suppliers from entering the market. Outlining the severe shortage of trained consultants to manage the computer problems, he said developing temporary fallback plans "implies a diversion of resources that can further compound the initial scarcity."

A spokeswoman for Ofgem declined to comment on the report yesterday. She said PA was likely to produce a final version of the document in the next few weeks. This might be made public.

# VDC shares slump on profits warning

Magnus Grimond

Shares in VDC, floated on the Alternative Investment Market at 400p in September 1995, crashed 110p to 165p yesterday after the medical products distributor warned that results would be "significantly below current expectations". The group, formerly known as the Veterinary Drug Company, blamed the problems on Procure Health, a dental supplies distribution business, acquired for £5.1m last April from EnviroMed, the biotechnology group riven lately by boardroom strife.

Robert Rabone, VDC's finance director, said they had uncovered several deficiencies in the pricing systems for the 27,000 stock lines carried by Procure. He described it as "a systems-based problem rather than a fraud or anything like that". The faulty systems had resulted in margins being overstated, reducing profits by some

£240,000 compared with what they had previously thought.

Mr Rabone said Procure had also been running with volumes "at least 20 per cent" below the budgeted level in a competitive market. Since acquisition, it had been recovering from the significant fall-off in turnover it suffered at the hands of EnviroMed. From the nadir reached in September 1995, the business had recovered to levels in December and January to above those of the comparable periods.

"But under the ownership of EnviroMed, the management had put such strictures on the business that it had suffered badly, hence we bought it at a good price. Unfortunately, we are not now going to meet the market's expectations of growth in that business now."

Market forecasts for group profits in the current year to May were cut by £1m to around £1.7m yesterday, only slightly ahead of the previous year's

figure of £1.65m. Mr Rabone said Procure had made profits of £35,000 in the first half and had been expected to make "several hundred thousand" more in the second. They were now expecting it to turn in a small loss.

Procure's market share of the dental supplies market, put at around 10 per cent when it was acquired, was now somewhere between 6 and 8 per cent. Mr Rabone said. As well as some loss of share to the operation's two or three bigger rivals, he said the accuracy of market information had been improved.

He said they would not be taking any legal or other action against the vendors of Procure, however Ernst & Young, the group's auditors, have been asked to extend their review of the interim financial statements. Management reporting systems have also been tightened up. VDC's interim results are expected to be released on 21 February.

# High price hint for Centrica

British Gas brushed off recent pessimism about its share price performance yesterday when shares in its soon-to-be-demerged supply division, Centrica, began trading near the top end of analysts' expectations on the unofficial "grey market", writes Chris Godsmark.

Centrica shares ended at 70.5p, valuing the company at almost £3.2bn. Official trading begins next Monday, with the split from British Gas to be put to a shareholders' vote at an EGM tomorrow.

Yesterday's indicative price suggests the misery for 1.8 million small investors could be overdue. Previous estimates of Centrica's value had varied wildly, with some analysts putting the share price as low as 25p and others higher than 90p.

Simon Flowers, head of utilities at NatWest Securities, said: "The stock market has come to the conclusion that the assets are quite desirable and the liabilities are not as high as was previously thought."

Shares in BG, the pipeline business, closed on the grey market at 172.5p. British Gas shares were unchanged at 243.5p.

## IN BRIEF

• A joint venture between Tarmac and Amec has won a £100m contract to build a second runway at Manchester Airport. The civil engineers said the runway, which will be almost two miles long, should be operational from spring 2000 and employ around 500 workers during its construction. Manchester Airport, which is facing some vocal public opposition to the plan, forecasts that its expansion will generate around 50,000 jobs for the region over the next 10 years, including 15,000 at the airport.

• Ionica, the company marketing a telephone service to homes based on wireless technology, is planning to extend its network to 3.5 million homes in the Midlands. The company, which is partly owned by Yorkshire Electricity and Northern Electric, launched its service in East Anglia last year. It claims it can undercut BT's domestic charges by around 15 per cent. The first stage of the expansion will be in Nottingham. Ionica has a national licence and plans to cover three quarters of England and Wales by 2000.

• Canal Plus, the French pay-TV group, said it may eventually be interested in listing its Paris Saint-Germain soccer team on the London stock exchange but that it had no plans to do so in 1997.

• British Telecommunications is confident that "no significant competition problems will emerge" and that its proposed merger with MCI Communications Corp "will be cleared in the next few months". BT directors told an all-party Trade and Industry select committee of MPs that the merger of the two companies will permit their complementary skills to be deployed to the benefit of customers in the UK, the US and other markets.

• Lloyd's of London will be calling for a further £25.6m from as many as 8,675 of the 34,000 names who accepted its Reconstruction and Renewal offer last summer. This will be payable in addition to the sums indicated in the settlements which the names agreed to. Some £2m relates to adverse exchange rate movements since R&R was accepted, which will affect some 6,000 names. Retention of dollar surpluses worth £18.6m in respect of the 1994 and 1995 underwriting losses will affect 2,500 names. The remaining £5m called upon will be paid by around 175 names, and relates to the under-realisation of assets pledged as funds at Lloyd's.

# How Dow Jones plummeted in January

The US financial information group is facing a revolt over spending on its Telerate, writes David Osborne in New York

More used to being a purveyor of the news rather than a subject of it, the Dow Jones company, publisher of the *Wall Street Journal*, is attracting shrill headlines about its flagging stock price and unrest among its shareholders.

Uncertainty about the future of the company, which also owns the Telerate global financial information service, has even led to media reports that it could be about to fall prey to one of its biggest rivals, Reuters of the UK.

The woes at Dow Jones centre on its share price which has long been stuck at around the \$39 (£24m) mark, well below its peak achieved 10 years ago.

The disappointing share performance has led to widely

publicised sniping from two members of the Bancroft family that founded and still controls the company, William Cox III and his cousin, Elisabeth Cox.

Last week saw the sudden resignation from the company payroll of Mr Cox, who had been in charge of Dow Jones' global stock indices. While Mr Cox gave no official reason for his decision, he indicated that it would liberate him to fight for a change of direction in management.

Most urgently at issue is the fate of Telerate, which has been falling behind the rival global services of Reuters and Bloom-

berg. Stock of Dow Jones took a beating in late January after the company announced that it would spend \$650m trying to revive the sagging service. Many investors had been hoping instead for a decision to dump Telerate.

*Fortune* magazine, meanwhile, recently revealed that the prominent New York money manager Michael Price has amassed 5.4 per cent of Dow Jones stock. The magazine last week tried to capitalise on its scoop by placing an advertisement in the *Wall Street Journal*. Dow Jones refused to print it, however.

Mr Price has since spoken out about his disappointment with the decision to spend more money on Telerate and is expected to push for new additions to the Dow Jones board at its annual shareholders meeting in April. "Hopefully, there will be some smart people in there," he said.

There has been no confirmation, however, of Reuters or any other competitor exploring a hostile buyout. Members of the Bancroft family, Mr Cox included, have declared themselves unified in wishing to keep the company independent. "I would like to see Dow

Jones independent, but the best way to do that is to good corporate governance," Mr Cox remarked.

Of his own decision to quit his post, Mr Cox commented: "I think that it's the right route. It's difficult to work at the company and try to get better shareholder value." He added: "Obviously Michael Price is there and others are there because it's an underpriced stock." Taking the heat in the dispute is the current chairman of Dow Jones, Peter Kann. A former Pulitzer Prize recipient and famed Vietnam war reporter, Mr Kann may be under pressure in April to spin off Telerate and cut the company's losses in it. There is no expectation, however, that his own position is at risk.

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# Resignation wipes one-third off Toad market value

Magnus Grimond

Toad, the loss-making car security group backed by Chris Evans, the biotech entrepreneur, saw nearly one-third of its stock market value wiped out yesterday following the surprise resignation of the chief executive, Charles Parker, after just over a month in the job.

The company blamed "irreconcilable differences" between Mr Parker, who joined from the Charter industrial giant at the beginning of January, and the rest of the board. But the group also warned that sales in December and January had been "substantially below budget" due to disappointing trading through dealers and its own network of installers.

Mr Parker, who is on a £170,000 contract at 12 months notice, is to be replaced as chief executive by Kevin Gray, who became a non-executive director following the takeover of its Secur-Fix company last April.

The shares, which recently moved from the Alternative Investment Market to a full list-

ing, crashed 19.5p to 41.5p yesterday, wiping £3.3m off the group's former market capitalisation of £10.3m. The group has raised £10.6m in two placings at 90p and 80p a share over the past 14 months, the latest in January, but the shares have been sliding steadily since the start of the year, when they were trading at around 85p.

Mr Evans, who chairs the group and owns around 20 per cent of the shares, said there was "nothing substantive" to account for the departure of Mr Parker. There was "nothing massive. No major falling out. No bombshell," he said. He also dismissed any suggestion of Mr Parker uncovering a "black hole" at the group. "If there was, we would have been obliged to reveal it. It was just a whole number of little things," Mr Evans said.

The second-half loss for the group would be lower than for the comparable period of the previous year, but sales in January and February had been disappointing, he said. They were still on course for around £5m

sales for the year and a loss in the region of £3.5m, roughly in line with previous market forecasts.

He suggested compensation for loss of office would not be large. Mr Parker had resigned and was therefore legally entitled to nothing. "There may be some kind of payment, but it will not be substantial."

Mr Parker had spent several months last year doing what Mr Evans described as "due diligence" before throwing in his lot with Toad. He had been credited with pushing through Charter's highly successful £445m takeover of the Swedish welding rods group Esab in 1994. But it had been clear almost from when he took the reins in January that he was not comfortable in the job, Mr Evans said. "The leap from a big company to a small one, that's a hell of a leap. Time and time again, people fail in making that leap."

There were said to have been "fundamental disagreements" between Mr Parker and the non-executive directors over the way the group should be



Toad in a hot: Chris Evans (above) said there was 'no bombshell' behind Charles Parker's departure after only a month in charge

taken forward. Mr Evans, whose fortune based on biotech groups such as Chiroscience was put at £60m last year, is one of three non-executives on the

# Dalgety dogged by Pedigree problems and BSE crisis

THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

It is two years since Dalgety launched a £180m rights issue to pay for the near-£500m deal to buy Quakers' European pet food operations. The cash call was priced at 335p. Yesterday the shares were barely above that level, closing up 1.5p at 341p. It has clearly been a rough two years for chief executive Richard Clothier and the jury is still out on whether the business is turning the corner.

At the time of the Quaker deal, the strategy to sell consumer foods divisions such as Golden Wonder and Home-Prize to concentrate on pet food looked plausible. But a lot has gone wrong since then.

The BSE crisis has hit the group's animal feeds business, the rival Mars-owned Pedigree Petfoods has been aggressive on pricing and the strength of sterling has affected overseas earnings. Integrating the Quaker pet foods business cost far more than originally anticipated.

The wounds were apparent in yesterday's half-year figures with pre-exceptional profits in the six months to 31 December down £4m to £43m. It was the agribusiness division which suffered most, with the BSE-inspired export ban causing excess capacity and increased costs, which were compounded by the strength of sterling.

Though pet food profits held up, the dog food business has been dented by Pedigree's marketing muscle. Dalgety's Felix brand has held off a marketing challenge by Pedigree's Whiskas brand. In dog food it will be hoping that its Winalot re-launch with the slogan "Live a lot, wag a lot, Winalot," raises sales as well as smiles.

With Dalgety's shares a long way south of their mid-1995 high of 480p, the group faces serious questions. The first is whether it can build its pet food business to do battle against Pedigree. Margins used to be measured in double digits in this business but are a long way short of that now.

Another question mark hangs over whether the group really needs four divisions. The US distribution business, which is dedicated to McDonald's, seems non-core though Dalgety is unlikely to raise more than book value for it. This business has not been helped by the slowdown in like-for-like sales at McDonald's outlets.

## USAir lifts BA profits

Where will British Airways be in another 10 years' time? Will it still be an airline in the accepted sense of the word or will the craze for shedding staff, cutting costs and outsourcing every conceivable function have turned it into the world's first truly virtual airline? Will it, for that matter, still be called British Airways or will a series of mega mergers have transformed it into a behemoth of the skies, as American or Oriental as it is British?

Those searching for clues in the airline's third-quarter results may be a little disappointed. Despite BA's goal of shaving £1bn from its cost base through the much-vaunted Business Efficiency Programme, employee costs are up by 10 per cent this year. Meanwhile, progress towards gaining regulatory approval for the American Airlines alliance is proving painfully slow.

Had it not been for USAir, its erstwhile transatlantic partner, BA would have been celebrating a decade of private ownership not with another set of record figures but with a small decline in third-quarter profits.

True, many of the efficiencies pushed through by BA's chief executive Bob Ayling, such as packing the accounts department off to Bombay, are yet to show through. Nor can any amount of inspired leadership stop aviation fuel prices rising by a third -

the drag factor that is doing most to hold BA back.

Volatile oil prices, however, a fact of life for airlines. In the short run, BA will be hedged its oil exposure and how quickly it can plug the gap in revenues that will be left when the USAir code-share agreement expires in April.

In the longer term, the challenge is to make the American alliance work in an era of open skies and increased competition while preventing the BA brand name from being devalued by too enthusiastic an approach to cost cutting.

Assuming full-year profits of £640m this year and £710m in 1998, the shares, up 11p at 347.5p, stand on a forward multiple of 12, falling to 11. They should still have some way to go, but given the uncertainties BA faces, a repeat of the 500 per cent return shareholders have enjoyed in the first decade of private ownership looks implausible.

## Still questions over Admiral

Sir Lawrie Barratt, the chairman of Britain's second-biggest housebuilder, was quick to criticise rival Bryant for overpaying last year when it bought Admiral Homes for £6.2m. The deal gave Bryant a ready-made land bank in the South-east of England, where the recovery in the housing market has been strongest and development land is in shortest supply due to delays in planning permission.

But analysts remain perplexed as to why Bryant paid £6m more than Admiral's net asset value to buy, in effect, a job lot of plots. Normally purchasers would expect a discount, especially as Admiral was in the red at the time.

The result is that at 25 per cent, Bryant's plot cost to selling price ratio continues to be a burden. House price inflation was only modest in the six months to November and the group's average selling price, including Admiral, fell by £3,000 to £113,000, hit by a change in mix to more three-bed and fewer four-bed properties were sold.

But a rise in operating margins to 8.6 per cent from 6 per cent helped push pre-tax profits 52 per cent higher to £15.5m on sales of £257m (£232m). The maintained dividend of 1.45p was covered by earnings of 3.7p (2.4p).

Bryant sees a progressive improvement in confidence among home buyers rippling out from the South-east. It cites as evidence a 30 per cent rise in net reservations continuing into the second half - even if the corresponding year's figures were lousy - and it looks on course to hit its target of building 4,000 homes this year.

Better still, there are no signs yet that the prospect of a general election by May and the possibility of a rise in interest rates is affecting purchasers' confidence. With a fair wind and a post-election "honeymoon", double-digit margins are a distinct possibility next year as Bryant recovers from a low base.

But concerns about the Admiral deal and the continued presence of the small construction division will surely limit its recovery potential.

UBS has raised its pre-tax profits forecast for the year to May by £2m to £37m. That puts the shares, up 0.5p to 150p, on a chunky forward multiple of 17, yielding 4.2 per cent. High enough.

# NFC boosted by prospect of Lynx sale

Patrick Toohy

Shares in NFC rose sharply yesterday after the transport and logistics group announced it was in talks to sell Lynx, its express parcels operation, to a management buyout team backed by venture capitalists at NatWest.

NFC's shares advanced 7.5p to 16p on the news, but remain adrift of the 20p reached in recent months.

In a statement NFC said it would be several weeks before a contract was signed because NatWest was currently under-

taking due diligence. A further announcement would be made when the current negotiations were concluded, NFC continued. The deal is expected to net NFC between £30m-£35m.

Lynx, which can deliver parcels overnight in Britain and continental Europe, had a net asset value of around £25m and turnover of £94m in the year to September, when it returned to profitability. It has had a chequered past with losses peaking at over £12m in 1993. Analysts welcomed the news of the planned disposal. "Lynx is in a fierce and competitive

business and is barely making money but it is on the mend and should clear its net asset price," said Andrew Darke, transport analyst at brokers William de Broe. "Two years ago NFC could not give it away."

NFC, whose activities include Exel Logistics and Pickford transport group, has indicated for some time that Lynx was a non-core business, but management led by Gerry Murphy, who became chief executive in 1995, insisted it was in no rush to sell.

Link competes against the likes of UPS, Federal Express

and Nightfreight in a highly fragmented UK market where margins are notoriously wafer-thin.

The decision to sell Lynx ends months of speculation about its future within NFC. It is also part of Mr Murphy's strategy to concentrate its UK logistics operations on larger and fewer contracts. Mr Murphy also plans to build revenues in North America and reorganise a series of national networks in Europe.

Mr Murphy and Sir Christopher Bland, the chairman, who also joined NFC two years

ago, have presided over a wholesale clearance of directors as part of a £50m restructuring programme.

After slumping to a £39m profit in 1995, NFC recovered to make £105m on sales of £2.46bn in the year to September.

NFC is still left with a clutch of heavily loss-making businesses on the Continent after its ill-fated attempt to build a pan-European distribution system in the late-Eighties.

Sir Christopher recently ruled out selling the European businesses, saying divestment was not an option.

# Queensborough selects Guthrie to build chain

Magnus Grimond

Michael Guthrie, who last October sold his Brightons restaurants group to Whitebread for £46m, has been appointed to the board of Queensborough Holdings with a brief to move the leisure group into "casual dining". Mr Guthrie, who made his first fortune floating the Mecca bingo to holiday group, is said to be ready to mount a bid to buy back Brightons' Pizza Piazza chain from Whitebread.

Mr Guthrie yesterday refused to comment on speculation about this or that he was behind one of the bids for Granada's Welcome Break chain of motorway service stations, which the television to hotels group is being forced to sell following last year's £3.9bn takeover of Forte. He said he could only confirm that he

intended to help Queensborough in building up a restaurant business. However, he emphasised: "One thing's for certain: I am not going into one-offs. I am going to build up a chain."

The stock market reacted well to the appointment, marking Queensborough's shares up 5p to 36p. Up to now the group, which is one of the stock market vehicles of biotech entrepreneur Kevin Leech, has been concentrating on building a caravan site and theme park empire, including Cheddar Gorge. But Stuart Sim, Queensborough's deputy chairman, said yesterday they were not ruling out an approach to Whitebread.

"The plan is the creation of new division within Queensborough, alongside its existing businesses, in that exciting area of leisure dining services, as it is called." They had "several op-

tions and we are considering these very carefully at this time", both acquisitions and green field sites, he said.

Queensborough wants Mr Guthrie to spearhead plans to make it a force in high street, rather than city centre, dining. That did not necessarily assume building an enormous chain, Mr Sim suggested. "If you look at people like Burger King, a very dominant player, they have 300 restaurants. Everybody assumes they have thousands of restaurants. If you come to the pricier end of the market, Pizza Express has a relatively small number of restaurants."

Mr Guthrie does not appear to be deterred from other business enterprises by yesterday's appointment. However, Mr Sim said: "He will not be doing anything in that sector which is competitive with Queensborough."

# Queens Moat sells 25 hotels

The struggling Queens Moat Houses company yesterday sold 25 hotels for £91.5m to a group of managers backed by Hambro European Ventures. The company has now sold all but 51 of its UK hotel portfolio in an attempt to cut debts.

Wayne Sanderson, an analyst at Merrill Lynch, said the price achieved for the 19 three-star County and six four-star Moat House brand hotels "sounds reasonable". However, he added that QMH still had a long way to go, with around £247m of senior debt to repay by the end of the year 2000.

The 25 hotels sold yesterday

have a total of 1,865 rooms, and made operating profits of £11.2m from £42.5m of sales in the financial year to 19 December.

QMH will use £65.5m of the sale proceeds to repay senior debt due this and next year; another £6m will be used to repay junior debt, some £17.5m will be set aside for capital improvements, and the remaining £22.5m will repay creditors.

Andrew Coppel, chief executive, said the sale represented an important step in the group's recovery. "It achieves almost the whole of the group's UK disposal programme in a single step and a significant reduction

in the group's debt repayment burden."

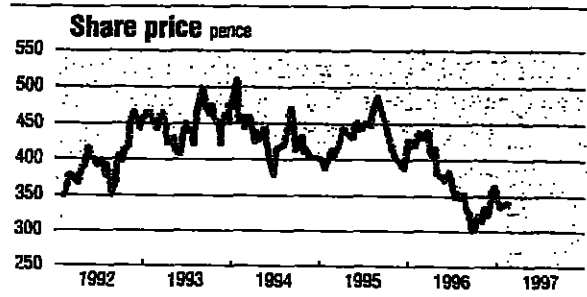
Last September, QMH reported that it lost £3.1m in the six months to June, compared with a £700,000 profit a year previously. However, it said it had made satisfactory progress in the second half, helped by lower interest rates. Occupancy in UK managed hotels rose to 70 per cent from 67.8 per cent.

Occupancy levels and room rates in the Netherlands also increased, while performance in Germany fell.

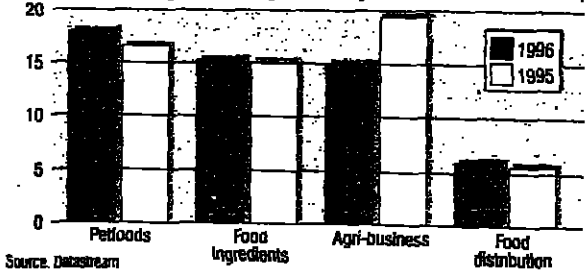
Mr Coppel said prospects for further profits growth remained sound.

## Dalgety: At a glance

Market value: £2967m, share price 341p					
Trading record	94	95	96	95/96	96/97
Turnover (£2bn)	4.8	5.4	4.34	2.12	2.12
Pre-tax profits (£2m)	120.1	93.7	89.6	68.4	43.0
Earnings per share (p)	95.2	20.4	20.4	10.8	9.3
Dividends per share (p)	20.2	22.0	22.7	8.5	8.5



## Operating profit by activity (total=£3.8m for six months)



## IN BRIEF

- **Peptide Therapeutics' shares** soared by 41p to 370p on news of a link with SmithKline Beecham. The pharmaceuticals giant is paying £6m for a 2.8 per cent stake in Peptide and the right to develop and market allergy drugs based on Peptide's technologies. The deal follows last month's acquisition of a £3m stake in Peptide by Medeva in an agreement covering the joint development of vaccines.
- **Huntington International**, the pharmaceuticals company, reported a return to profit in 1996, making £9.35m before tax compared with a £2.9m loss in the previous 15 months. There is still no dividend, with the directors stating that "cash resources should be reinvested" to sustain growth. In the US, growth in orders from the pharmaceutical and biotechnology industry is "particularly pleasing".
- **Pillar Property** has pre-sold almost one-third of its Brommieslaw development in Glasgow to British Telecom. Contracts have been exchanged for the development of a 180,000 square foot office building. Pillar's shares rose 11.5p to 221.5p.
- **A concert party**, including Strand Nominees and Capital Partners, sold its entire 50.75 per cent shareholding in Quilgotti at 21.5p a share. The shares in the building materials group were bought by several institutions and management at Quilgotti. David Scott, the company's chief executive, bought 1.5 million shares, taking his holding to 4.18 per cent. The shares rose 6.5p to 21.5p.
- **Unidare**, the engineering company, is paying £1.9m for Eland Electrical, the welding accessories wholesaler. In 1995, Eland made operating profits of £237,000 on sales of £4.9m.
- **Core Group**, the pharmaceutical company, plans to obtain a full stock market listing through a placing that will raise between £15m and £20m. The placing will value Core at between £50m and £80m. The company said the fund raising will enable it to extend development programmes and bring its first product to market. Core develops pharmaceutical products for controlled release of drug substances in the body. Its portfolio is focused on pain management and female healthcare.
- **Hadleigh's finance director**, Stephen Yapp, is leaving to take the same post at SGB Group, a subsidiary of John Mowlem, which is being considered for partial flotation. Mr Yapp will leave at the end of next month, but will remain available to Hadleigh on pre-agreed dates until the end of July to assist with the completion of the year-end report and accounts.

Company Results				
	Turnover £	Pre-tax £	EPS	Dividend
British Airways (Q3)	2,032m (1,997m)	113m (104m)	9.2p (8.1p)	- (-)
Bryant Group (Q)	257m (232m)	15.4m (10.1m)	3.7p (2.4p)	1.45p (1.45p)
Dalgety (Q)	2,196m (2,188m)	43.0m (69.4m)	9.3p (17.7p)	8.5p (8.5p)
London Industrial (H)	12.6m (10.2m)	3.58m (3.04m)	17.5p (15.7p)	- (-)
Whitbread of Chelms (Q)	11.6m (9.1m)	0.55m (0.37m)	2.19p (1.67p)	1p (-)
(F) - Full (Q) - Interim (H) - Half year (Q) - Third quarter				

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# Rain dampens trainers' anger

**Racing**  
**GREG WOOD**

In a normal year, it would need to be a fairly thin news day before "rain in February" became a worthwhile item, but 1997 is anything but normal, and reports that Cheltenham racecourse received a thorough soaking on Sunday night suggest all before them on racing's hush telegraph yesterday. With just four weeks to go to the National Hunt Festival, Philip Arkwright, the clerk of the course, briefly postponed plans to water the track artificially, and several trainers who have been grumbling about the prevailing fast ground suddenly fell silent.

At least, they did for the moment. The post of clerk of the course at Cheltenham is one of the most desirable in the sport, but from the start of February onwards, Arkwright

can be fairly sure that each morning's browse through the trade papers will see another verbal grenade or two heading in his direction.

David Nicholson and Jim Old, both of whom would like an easy surface for their respective Champion Hurdle candidates, Relkeel and Collier Bay, will now be a little happier. Others, though - Jessica Harrington, who prepares the fast-ground specialist Space Trucker, springs to mind - may feel that their own chances have suffered as a result. For punters, too, long-cherished ante-post slips may suddenly appear rather less valuable.

Some would argue that Arkwright should simply let nature take its course, but the possibility of firm ground for the Festival is not one he is prepared to entertain. "We've had about 7mm of rain, just over a quarter of an inch," he said yesterday, "but it's not as much as we

need and although there are fronts coming in, my local forecaster does not think it will amount to all that much."

The "local forecaster," by the way, is not an ageing shepherd with a bit of seaweed hanging from his porch, but, less romantically, a contact at the Bristol weather centre.

**RICHARD EDMONDSON**  
NAP: Naughty Future (Apr 3.10)  
NAP: Kaitway (Apr 3.40)

"You're never going to satisfy everybody," Arkwright said. "But we have a perfectly clear policy, and we will not divert from it, which is that we should produce good ground for the Festival meeting."

"This is an exceptional year, it is probably going to take exceptional steps to do that, but we think it is in the best inter-

ests of the majority, and most importantly of the safety of the horses, that it should be no faster. I consider that will require two inches of rain between now and then, and if not rain, artificial water."

The concern, of course, is that while modern watering systems are admirably efficient at easing the ground, no one has yet devised a system to remove excess moisture if the weather proves unexpectedly harsh. "It is a danger," Arkwright admits, "but much more so if you are watering from November to January and racing on it when it's wet. We have two courses which have not been raced on and as a result they will take a lot more water."

Arkwright's concern is that the appearance of a tropical storm over the brow of Cheltenham Hill 24 hours before race-day would be excellent news for Wally Sturt, the owner of Collier Bay, who yesterday confirmed that, as expected, the

champion hurdler will defend his title on 11 March without the benefit of another prep race. Ante-post punters, though, seem to feel that Arkwright's prayers will be answered, and stepped in yesterday to back Make A Stand, the Tote Gold Trophy winner, down to 1-1 from 12-1 with William Hill to win the championship in his novice season.

Another novice who may upstage his seniors at the Festival is Doran Price, second-favourite for the Gold Cup, Michael Hourigan, his trainer, said yesterday that the 1995 Stayers' Hurdle winner will probably run in the Kinloch Brae Chase at Thurlow on Thursday, rather than the Red Mills Chase at Gwern Park two days later. The latter race may now offer Imperial Call, who won the Gold Cup 11 months ago, a straightforward chance to record his first victory of the season.

## Williamson taken to 50 by Rule

Norman Williamson's season, which began with a break up with the Kim Bailey stable but which has produced a sackful of big-race successes, reached another high point when the Irishman recorded his 50th winner of the term at Hereford yesterday on Cardinal Rule.

"At the beginning of the season, 50 winners was my target,"

Williamson, now a freelance, said. "Everything's going so superbly well at the moment and all those miles I clocked up on the motorways at the start of the season have paid off and I'm very pleased."

"With Cheltenham and Aintree and all the big races still to come hopefully the winners have not stopped flowing yet."

Williamson's winners this season have included Jordani in the Peter Marsh Handicap Chase at Haydock and Master Tibe in The Ladbroke at Leopardstown.

Alex Harvey, 26, assistant to Oliver Sherwood for five years, sent out his first winner as a trainer when High Leavis made all at Plumpton.

## RACING'S FUTURES MARKET

Bookmakers' ante-post lists are racing's futures market. Readers can catch up with the latest developments - best prices are in bold - in this sphere with The Independent's Tuesday service

Champion Hurdle (2m 110yds)			
Horse (Trainer)	Weight	William Hill	Bookmakers' Total
Make A Stand (M. Price)	12-1	12-1	12-1
Relkeel (D. Nicholson)	12-1	12-1	12-1
Collier Bay (J. Old)	12-1	12-1	12-1
Space Trucker (J. Harrington)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1

Queen Mother Champion Chase (2m)			
Horse (Trainer)	Weight	William Hill	Bookmakers' Total
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1

Triumph Hurdle (2m 1f)			
Horse (Trainer)	Weight	William Hill	Bookmakers' Total
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1

4.00 SOMERBY HURDLE (CLASS E) £3,000 added 4yo 2m			
Horse (Trainer)	Weight	William Hill	Bookmakers' Total
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1

3.00 THURNEY MAIDEN CHASE (CLASS F) £3,500 added 2m 1f			
Horse (Trainer)	Weight	William Hill	Bookmakers' Total
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1

3.00 TRAIL HANDICAP CHASE (CLASS D) £7,000 added 3m			
Horse (Trainer)	Weight	William Hill	Bookmakers' Total
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1

4.30 OADBY HANDICAP HURDLE (CLASS E) £3,000 added 2m			
Horse (Trainer)	Weight	William Hill	Bookmakers' Total
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1

4.40 RIVER AYE MAIDEN NATIONAL HUNT FLAT RACE (CLASS E) £1,500 added 2m			
Horse (Trainer)	Weight	William Hill	Bookmakers' Total
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1

4.40 RIVER TIG NOVICE CHASE (CLASS E) £4,075 added 3m 1f 110yds			
Horse (Trainer)	Weight	William Hill	Bookmakers' Total
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1

4.00 LOCH ENCH HANDICAP CHASE (CLASS E) £4,500 added 2m			
Horse (Trainer)	Weight	William Hill	Bookmakers' Total
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1

4.20 NEEDLES HANDICAP (CLASS D) £4,900 added 6f			
Horse (Trainer)	Weight	William Hill	Bookmakers' Total
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1

3.50 EDDYSTON HANDICAP (CLASS F) £3,300 added 2m			
Horse (Trainer)	Weight	William Hill	Bookmakers' Total
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
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Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1
Imperial Call (J. Old)	12-1	12-1	12-1

## Beer and cheer for delighted Davis







# As the professional game is pretty violent already I think the advantages of legalised padding outweigh the disadvantages

I am hoping for at least one upset in the Five Nations' Championship matches to be played on Saturday. If France beat Wales, and England beat Ireland, the vista will be what we have looked over so often in the past few years: a competition between France and England, to be decided by the England v France match, which will take place this year at Twickenham.

Of next Saturday's pair, it is the Dublin game that looks more likely to produce the surprise. Of the last 10 encounters there, both countries have won five apiece. Ireland, last winning in 1993. Judged by their performance against Wales, they are perfectly capable of winning, though I do not think I shall risk much money unless the odds are favourable.

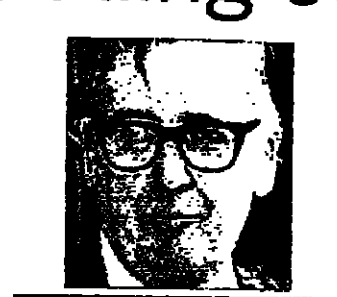
As my column last week was chiefly about the deficiencies of Antipodean referees, I did not have space to pay adequate tribute to their play in Cardiff. Jim Staples had a tremendous match. In one passage of play he showed that he was as fast as, maybe slightly faster than, Ieuan Evans. On present form, he certainly deserves to go to South Africa with the Lions, though I should still prefer Neil Jenkins as first choice for his goal-kicking.

How many people, I wonder, noticed that Jenkins made a hash of catching the ball on his own line, so presenting Jonathan Bell with his second half try, because of the padding on the posts? I am all in favour of protecting players against injury, particularly in these new, harsher times.

But the padding on the Cardiff posts was rectangular and stuck out on each side of them. What is needed, surely, is padding that follows the circular contour of the post instead of being at variance with it.

As we are on the subject of padding, what about padding for players? As I understand the laws, protective clothing for chest, back and shoulder is still not allowed in rugby union, though in league it is. Yet in the Richmond v Moseley match last Saturday a Moseley player removed his jersey for one reason or another to reveal what looked like a bullet-proof jacket, which may have been a necessary addition for someone playing against the Quins' little brothers.

Three years ago, when South



ALAN WATKINS

Africa were playing in Wales, I noticed François Pienaar emerging jerseyless from the dressing-room wearing copious quantities of padding round his shoulders. Most of his colleagues looked as if they were similarly protected. Obviously, on the hard grounds in South

Africa you need some extra covering, even though the laws of rugby union football are the same the world over.

My view is that, if players want this kind of protection, they should be allowed to have it. The laws should be amended accordingly. The contrary argument is that, the more protection is allowed, the more violent the game will become. But as the professional game is pretty violent already - it can only be a matter of time before someone is killed - I think the advantages of legalised padding outweigh the disadvantages, though it may well be that our players will come more and more to resemble American footballers.

Playing for Richmond in the match I have briefly referred to was

last year's Irish full-back, Simon Mason, then of Orrell. He was probably the best full-back in the British Isles, judged by form rather than by reputation. Yet today he is in Irish custody, not only behind Staples but behind Conor O'Shea as well. Rugby is a capricious sport.

Eric Elwood would probably agree with that. When he first appeared in international rugby four years ago, he seemed an outside-half in the Irish mould, not as exciting as Tony Ward and Sam Campbell, perhaps, but a worthy successor nevertheless. The Irish selectors, having discovered yet another good outside-half, then proceeded to mess him about, dropping him, restoring him and then dropping him

again for no very apparent reason. He certainly did all that was required of him against Wales.

Other players - notably the Irish back five - did considerably more. Seven of their forwards now play for Courage League clubs. In the past, there have been troubles, notably with London Irish, over players who are required both for provincial matches in Ireland and for training sessions there. I suggested that, as a compromise, these sessions should be held at Stansted Airport. Now even this seems to be unnecessary. They could be held instead at the London Irish's ground at Sunbury-on-Thames, which would presumably suit the new Irish coach, Brian Ashton, better than the present arrangements.

## Henman humbled by Sinner

### Tennis

JOHN ROBERTS reports from Dubai

Accustomed as we had become to reporting about Britons ranked around No 180 losing first-round matches against opponents in the top 20, it came as something of a shock last night that an opponent ranked No 183 had defeated Oxford's world No 17, Tim Henman.

Such is the measure of Henman's impact recently that his fall to a German qualifier, Martin Sinner, 7-6, 6-4, in the Dubai Open disappointed the majority of the spectators.

It was the manner of the defeat that irritated Henman and observers who have charted his rise to prominence. "It's no good creating chances if you don't take them," he said, adding, "He had one chance - a double fault - and that was the crux."

serve with an impressive backhand pass.

Henman's backhand had been so unreliable for the majority of the 92 minutes of the match that there was a certain irony about the perfection of his shot which saved the first match point. Sinner did not hesitate over the second opportunity, passing Henman with a backhand across the court.

It was Henman's first match for three weeks, since a splendid start to the year as a finalist in Qatar, a victory in Sydney and an appearance in the third round of the Australian Open, in which he was defeated by Michael Chang, the No 2 seed.

"It's disappointing to lose in the first round, but it happens to a lot of players," Henman said. "Just because I've lost one match I don't think I need to change the direction in which I'm moving."

Sinner, 29 last Friday, had his career disrupted by torn ligaments in his left ankle, caused by playing football in 1989. The injury required three operations, the last in March 1993.

Henman had won their two previous matches in straight sets, on the grass at London's Queen's Club in 1995 and on an indoor carpet in Copenhagen last year. "Having talked about my performance tonight," Henman said, "I think Martin did very well and deserves a lot of credit."

This afternoon Henman is due to play doubles in partnership with Pat Cash, the 1987 Wimbledon champion, and intends to make the most of the special atmosphere here.

Things have never been quite the same in this part of the world since Peter O'Toole played Lawrence of Arabia. The novelty this year is an Irish village, complete with a replica of Balinacorney Post Office and a cartload of Guinness barrels, which has materialised on the west side of Dubai Tennis Stadium.

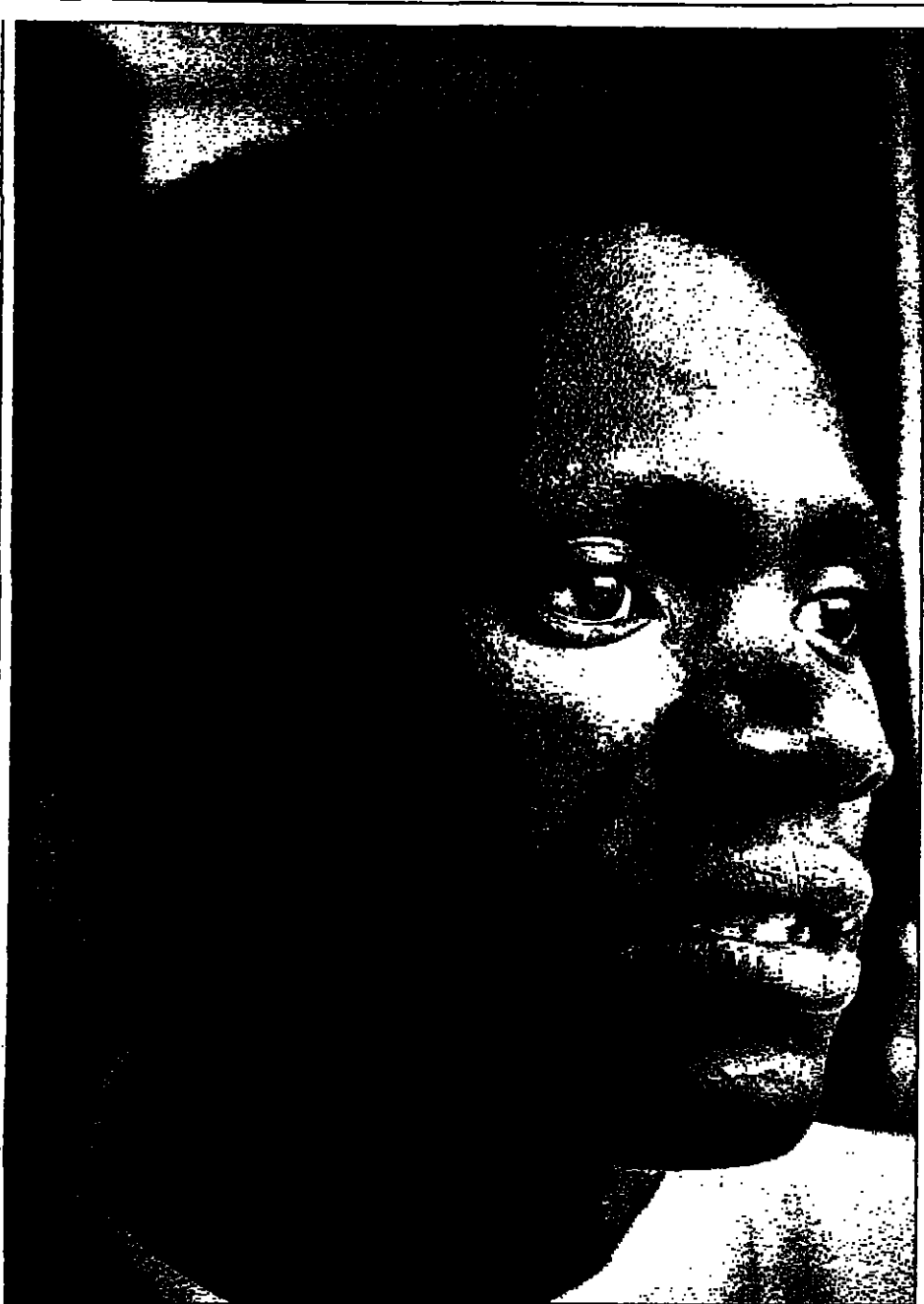
Far from a mirage, the reproduction of a little piece of Ireland serves to emphasise a strong connection between the Emerald Isle and the Dubai Open, specifically with the tournament's promoters, Dubai Duty Free.

Inspired by the success of the duty free operation at Shannon Airport, the director general of Civil Aviation, Mohi-ud Din Benhidi, sought the advice of the Irish Government. He was invited to Shannon and subsequently recruited staff to set up shop in the Emirates, people such as Colin McLoughlin, who "came for five months and has been here for 14 years".

The British No 1 failed to convert any of seven break points in the opening set, several of which were donated to him by Sinner's unforced errors - including two double-faults at 5-5. Although the German did not have a single break point in the set, he clinched the tie-break by two mini-breaks to one, 7-5.

Henman's double-faults subsequently presented Sinner with the first break of the match, for 2-1 in the second set. And even though Henman managed to break back in the next game, the success was chiefly due to his opponent, who could hardly have directed a high forehand volley over the baseline with greater awkwardness if he had been using a frying pan.

A bizarre sequence of shots, culminating with a winning smash after a net cord and a deflection off a net post - brought Sinner three break points in the ninth game. Henman saved one with a serve and volley, only for Sinner to attack a second



Josiah Thugwane in reflective mood yesterday

Photograph: Robert Hallam

## Fear and running in South Africa

Having signed up Josiah Thugwane, the Olympic champion, for this year's London Marathon, the event organisers took the opportunity to show him round the capital yesterday.

First, he had a run on Hampstead Heath; then a press appearance at South Africa House; and finally a dental appointment to sort out the teeth which were brutally rearranged in a road rage incident near Johannesburg 12 days ago.

The diminutive 25-year-old, who earned a place in history as the first black South African to win Olympic gold, is pursuing his running career in terrifying circumstances.

After his surprise victory in Atlanta last August, he explained that the noticeable scar on his chin was from a bullet wound suffered five months earlier, when he had had a gun pulled on him after giving a lift to two men in a truck used to transport supplies to the township bar he runs.

The bullet shattered the windscreen after glancing his face, and Thugwane subsequently jumped from the moving vehicle, sustaining back injuries which affected his Olympic preparations.

He ran in Atlanta despite death threats against his family (he has a wife and four daughters). The day after his victory, the coal-mining company for whom Thugwane still works as a cleaner helped him relocate from the corrugated iron shack he had built himself

Mike Rowbottom on a perilous path for two men in the London Marathon

in the township of Mzini, to the middle-class Johannesburg suburb of Middelburg.

However, it was while he was returning there after a training session on January that he says he was forced off the road by three men in a car, beaten and shot at. "When I tried to run away the people in the car followed me," he says. "One of them shot at me. He wanted to injure my legs."

The 5ft 2in and seven stone runner was only saved when another car appeared and his assailants fled. He now trains 85 kilometres away from his home.

"This is where I can focus my mind," he said. "Of course it is sad. But there is nothing I can do. This is my country."

Thugwane, who earned \$50,000 (£32,000) from appearing in the Fukuoka marathon in December and will get around twice that to run in London, is determined not to be demoralised. "I will run until I cannot run anymore. It is not only in South Africa that you can find such problems, you can find them all over the world. If that's what I have to face, I will face it."

Thugwane's training partner, Lawrence Pele, who will also run in London on 13 April, pleaded yesterday for the South

African athletics federation to help secure the safety of Thugwane and other runners achieving commercial success in South Africa.

"The mechanics have to be there to protect this guy," Pele said. "The nation needs him. If he has to hide himself, we are never going to get happiness."

"We cannot carry on like this, otherwise it is demoralising for the young of South Africa. They are going to be scared. They will think: 'what's the use? You are going to perform but you will get killed'."

Pele, who sets off with Thugwane today for a training break in Colorado Springs, had his own brush with death recently. Last summer, after failing to get one of the three South African places in the Olympic marathon following training in the US, he made plans to race instead in Paris. He was booked on the TWA flight 800 which subsequently exploded over Long Island; but Pele was not aboard. He had cancelled his ticket after a last-minute change of heart in order to return home.

After watching reports of the disaster on television, Pele - who subsequently finished 27th in the Olympic marathon after being called up as a reserve - knelt down and prayed. "I had to accept it," he said. "It was in the hands of God."

Do not expect any bleating from these two men if things do not go to plan in London. They will both know they are lucky to be there.

## Roberts robs Cambridge of winning run

Hockey

BILL COLWILL

Two second-half strikes from Tony Roberts, the Bishop's Stortford penalty corner expert, robbed Cambridge City the Adams Premier leaders, of their 100 per cent record in a 2-2 draw after Gareth Machin and Julian Archer had given City a 2-0 interval lead.

In the North, the leaders Norton, who dropped their first points of the season last weekend, dropped two more in a goalless draw away to Swalewell but with a game in hand lead Form by six points. In the South, where two teams go through to the National League play-offs from the Nastro Azzurro Premier, Anchorians plus Hampstead and Westminster march on.

Second-placed Hampstead won 2-0 against Old Whitgiftians, while the leaders Anchorians had a comfortable 4-2 victory at Richmond.

## Goulding summoned

Rugby League

DAVE HADFIELD

The Silk Cut Challenge Cupholders, St Helens, who leapt the biggest hurdle in the way of their retention of the trophy by beating Wigan at the weekend, have been drawn to meet either Huddersfield or Hull in the fifth round.

The two First Division sides, who drew at Huddersfield on Sunday, replay their tie at The Boulevard on Thursday, to avoid a clash with England's football match against Italy.

Saints will again be at home against the winners, but could be without their captain, Bobbie Goulding, for the rest of their Cup run. He will appear before the League's disciplinary committee on Thursday after being sent off for a high tackle on Wigan's Neil Cowie on Saturday.

Wigan are hoping to make an announcement tomorrow. The outstanding Cup-tie in the fifth round takes last season's beaten finalist, Bradford Bulls, back to the capital to play London Broncos.

There are other intriguing ties at Salford, where Paris St Germain are the visitors, and at Warrington, where the Leicester Scrum-half.

## The Steelers keep pace with Cardiff

Ice hockey

STEVE PINDER

With just two weeks of the regular season left, only Sheffield Steelers can stop Cardiff Devils from lifting the inaugural Superleague title.

The Welsh side are four points clear but Steelers have two games in hand (one of which, against Ayr Scottish Eagles, was played last night).

Cardiff could have a more comfortable cushion had they not dropped two points at Nottingham Panthers, only their eighth defeat in 36 games. Nottingham, however, were brought back to earth the next day against Manchester Storm, who overcame a two-goal deficit to win 4-2.

There were no such difficulties for Devils, who easily beat Basingstoke Bison 6-2, while Steelers kept up the pace with similar ease, beating Newcastle 4-2.

## Gomarsall confident

Rugby Union

ANDY GOMARSALL

Andy Gomarsall, the England scrum-half, is confident of being fit for England's Five Nations' Championship match in Ireland on Saturday despite suffering two injuries during Wasps' Courage League win at the weekend.

"The nerves in my shoulder went again, as they did against Scotland the previous week, and my ankle was okay," Gomarsall said. "But I know the shoulder can be treated and bits of ice are being applied to my ankle." He will be expected to prove his fitness by tomorrow at the latest. If either of his joints lets him down, it would mean a first cap for Austin Healey, the Leicester scrum-half.

Meanwhile Ireland's training session at the University of Limerick yesterday had several players missing with injuries. David Corkery, the open-side flanker, has a broken finger and has been told not to get involved in any contact work.

A decision on the centre

## Jonathan Bell, who damaged a rib cartilage playing for Northampton, would not be made until Thursday. Other injury concerns were the loose-head prop Nick Poppewell (hamstring), as well as the Ireland A scrum-half Steve Melvor (hamstring) and flanker Eddie Halvey (ankle). The Ireland A lock Mick Galwey was absent for an examination on a back injury.

The French squad assembled in Paris yesterday to begin preparations for their encounter with Wales at the Parc de Princes and Jean-Claude Skrela, the coach, will be monitoring the progress of the giant lock Olivier Merle, who is suffering from a rib injury.

Having already lost the flanker Philippe Benetton, the outside-half Alain Penaud and centre Thomas Castaignède through injury and the prop Franck Tauvergne because of suspension, Skrela is anxious not to be without the powerful Merle.

Carwyn Davies, the former Welsh international, was found dead in his car at his home in the village of Llangglog, Dyfed.

**TODAY'S NUMBER**

**800**

The number of new badminton clubs to be established in South Africa's townships as part of a 2m rand (£300,000) initiative by Denmark. "It's the greatest thing that's ever happened to us," an official from the South African Badminton Union said.

**CLING**

11.2% of newspapers

**AT), we're**

**Because it**

**at business**

**And we're**

**must hurry**

**ONE-854**

1 to 4pm Sat.

**Cricket**

The South African captain, Hansie Cronje, is to captain Ireland in the year's Benson and Hedges Cup.

**SUPERSPORT SERIES** (Twenty-over matches):

Worcestershire (last day) Northern Transvaal 2-1

A 100-run lead for Northern Transvaal in the 10th over.

100-run lead for Northern Transvaal in the 10th over.

100-run lead for Northern Transvaal in the 10th over.

**Football**

David Kopitar has replaced his former Dynamo Tbilisi team-mate Alexander Chirbaev as coach of Georgia, following Chirbaev's resignation yesterday. Kopitar will continue to coach Dynamo Tbilisi.

**Basketball**

LA ALL-STAR GAME: East 132 West 120 (last time 100-90).

SEATTLE'S LATE LEADERSHIP: Seattle's late lead in the 10th quarter.

**Ice hockey**

Cardiff Devils 4-2 Newcastle 4-2

Cardiff Devils 4-2 Newcastle 4-2

Cardiff Devils 4-2 Newcastle 4-2

**Snooker**

Wendy Matthews 5-4 David Gray

Wendy Matthews 5-4 David Gray

Wendy Matthews 5-4 David Gray

**Table Tennis**

Wendy Matthews 5-4 David Gray

Wendy Matthews 5-4 David Gray

Wendy Matthews 5-4 David Gray

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**Running into danger**  
The Olympic champion who dodges bullets in South Africa, page 27

**sport**

**Starting over**  
Paul Merson hopes for an England relaunch against Italy, page 26

**SECOND TEST:** England's trouncing of New Zealand by an innings and 68 runs takes embattled tourists into welcome territory

# Victory has Atherton jumping for joy

**DEREK PRINGLE**  
reports from the Basin Reserve, Wellington  
New Zealand 124 & 191  
England 383  
England win by innings and 68 runs

If a computer had simulated it, the result of the second Test here would surely have been a stalemate; while the current height of New Zealand's ambition is to play for the draw, England are not used to winning away from home, as they showed in the first Test in Auckland. Instead, with England's bowlers in rare mood, New Zealand were trounced yesterday by an innings and 68 runs as the touring team played their most intense cricket of the tour.

That is a drubbing in anyone's language, and it puts England into overseas territory (i.e. one up in the series) they have not explored since they were last here, five years ago.

Gratifyingly, from the England management's point of view, it is also a situation that has at last given the England captain something substantial with which to thump his tub. And in his most impressive performance in front of the media this winter, Mike Atherton admitted feeling somewhat relieved that England had finally managed to convert supremacy into victory.

"We've got so close this winter a couple of times," he said, his hair matted with the usual alcoholic accoutrements of victory. "It was nice to finally finish it off. I'm very pleased for the players. We've worked hard generally over the longer form of the game and played some good cricket this winter. They deserve to get a victory."

At one stage, as persistent morning drizzle threatened to hold up play, it again looked nipped and tuck as to whether England would get the win they had worked for. However, once it had lifted and England were able to take the second new ball, the result became a formality that even England's win-shy cricketers could not avoid.

"It was a different surface to the one in Auckland, which was a dead pitch," Atherton said. "There a tailender could hang around. But there was no way, given a new ball and bowlers howling well, that tailenders were going to hang around."

It was, in hindsight, a good loss to lose, and Atherton might have said a quiet thank you to his opposite number, Lee Gernon, for winning the toss and batting. The England captain would have made the same decision had the first day offered more than the two hours' play that were eventually possible after rain had delayed the start. At 56-6, on the first evening, New Zealand were essentially out of the match after just two hours' play.

There was another difference too, and it came in the lanky form of Andrew Caddick,

a consistently menacing presence whose swing and bounce helped overcome the current lassitude of Dominic Cork, who was curiously out of sorts.

Gough, who gamely took on a strongish wind on the last day, may have ended with the best haul - his 9 for 92 was his best Test match return - but Caddick got more than anyone out of this engaging pitch, which, as Atherton pointed out, had something in it for everyone. Euphoria can be a great disguise, and while the England coach, David Lloyd, is pondering the ease with which he has gone from being Basil Fawlty to Jim'll Fix It, there is still the unanswered question as to why this was Caddick's first Test of the winter. Indeed, he would probably not have played here had Chris Silverwood not been freakishly injured in practice two days before the start.

There is a theory that Caddick lacks the necessary mettle when the going gets tough. As this is virtually all the time where England are concerned, his absence - if that theory is correct - is perhaps understandable. However, it is hard to recall when he last let England down in a Test match.

For all Caddick's niggling faults, he is a talented bowler who can win matches and he was probably the decisive factor in a cohesive team effort. In any case, playing him can only be a positive measure and one that has the added benefit of allowing Gough to attack without compromise. It was Gough who got England going yesterday, taking four wickets in 21 balls before lunch, although it was fitting that Caddick took the last two wickets to secure victory.

But where exactly, with the Ashes series ahead this summer, does this rare Test win leave England in terms of world ratings? Although there was a time when beating the tenacious Kiwis at home was a hard-earned achievement - rather than something all but handed over on a plate thanks to the New Zealanders' limp and hair-brained batting - England's win, however welcome, was not the stuff of legends. That will come later.

on a turning pitch, when Daniel Vettori has graduated from teenage Kiwi prodigy to prodigious spinner and midnight curfew are necessary only for schoolgirls in convents.

Yet there is a good feel and shape to this England team. For one thing, the bowling seemed balanced, and if Cork's arm and form were both below their best, Robert Croft and Phil Tufnell trussed up those that escaped the clutches of Gough and Caddick. It is a performance for which Ian Botham, England's part-time bowling coach, can take only the most slender of credits, unless he has been issuing instructions at the end of his mobile phone on Lake Taupo.

Nevertheless, it is a combination that is only possible while Alec Stewart is able to stay free of injury and keep wicket. At present, Stewart is managing to do both, as well as score runs, but it is a precarious position from which to have everything else flow.

Making big runs is a habit his Surrey colleague, Graham Thorpe, also appears to have taken up now that he has regained his confidence and got his weight distributed properly between front and back foot.

Thorpe scored his second century of the series at the Basin Reserve, an achievement that saw another nuggety left-hander, Martin Donnelly, make him the man of the match. In contrast Nick Knight is suffering a minor crisis in confidence and, but for the absence of another opening batsman, would probably struggle to keep his place in the side.

As it is his slip catching has been outstanding and epitomised a much improved England fielding performance. As Croft was quick to mention after his decisive three-wicket spell late on Monday evening, supportive fielding lifts bowlers and creates pressure. Over the last five days, New Zealand could cope with neither.

Mike Atherton, the England captain, raises his arms in triumph as the final wicket falls in Wellington yesterday.  
Photograph: Chris Turvey/Empts



Gough salutes a 'great captain'

ANDY FARRELL

One accusation you cannot make against the Barmy Army is that they only sing when England are winning. The travelling supporters have grown hoarse through embarrassing defeats, desperate fightbacks and anticlimactic near misses in only two years as an overseas platoon.

Since Adelaide in 1995, they have come through two tours of duty in Africa with only meagre rations to shout about. Yesterday, they got as over the Christmas present, hence their own rendition of *ingle bells*. "Oh, what fun it is to see England win away," they harmonised.

The singing could also get under way in the England dressing-room half an hour after lunch with only the third overseas victory of Mike Atherton's stewardship. Skinner and Baddiel's *Three Lions* rang out as Atherton gave his victory press conference.

Whatever his body language, take a cross-section of the Lancastrian and you would doubtless find three lions and a crown. He may relinquish, or be relieved, of his job either during or prior to this summer's Ashes series, but Atherton was not about to make personal capital out of his team's win.

To promptings encouraging him to do so, Atherton displayed a straighter bat than he has shown in the middle at certain times this winter. "I am just happy to have won," he said. "Every Test win is a great moment for all different reasons. Obviously, we are a bit relieved because we have got very close a couple of times this winter."

"It was nice to finish it off and I am very pleased for the players. I think they have worked hard at the long form of the game and played some good cricket over the winter. They deserved to get a victory. Sooner or later, if you keep performing well, you will win more than you lose."

"All we talked about for the last two days was doing the basics right with the ball and up-

ping our intensity and our energy in the field. I thought our out-crickets was top class. We bowled a good line and length all the time, backed up by some good fielding. There were some good catches taken and the pressure was always on the batsmen."

Nine-wicket Darren Gough was quick to give an appreciation of his captain. "Everybody respects Mike in the dressing-room," he said. "He is a great captain, even when he was going through that bad patch he was still the same Mike - encouraging everybody, wanting everybody to do well, supporting everybody, giving everybody confidence. He talked to me on occasions while I was out of the team last summer and that helped my confidence. He is a great captain."

"He can't say anything else while I'm sat here," Atherton replied, before rejoining the party with a note that there was a Test match in Christchurch to win, starting on Friday, before anyone should start thinking of the Australians.

For once the message about being patient came from an Australian coach. That particular species may be populating most of the cricket world, but Steve Rixon, in his first season as coach of the bottom-ranked Test team, has one of the harder challenges around. "We know what we want to do. It's just putting it in place," he said.

Rixon had to speak up over the noise from next door and though New Zealand enjoyed such a party only a couple of months ago in Pakistan, that is looking as isolated a celebration as England have managed in recent years. With his batting advisor, Martin Crowe, his priority is to sort out the batting. When concentration goes there is a bit of hesitancy and also some anxiety," said Rixon, who has reason to be anxious himself. Ian Smith, the former New Zealand wicketkeeper turned television commentator, said: "Effectively, we have lost two out of two and I don't see that we have gone forward under the current coaching set-up."

WELLINGTON SCOREBOARD	
New Zealand won toss	
NEW ZEALAND - First innings 124	100, N Hussain 64, J P Crawley 56, S B Dool 5-70.
ENGLAND - First innings 383 (at P Thorpe)	100, N Hussain 64, J P Crawley 56, S B Dool 5-70.
NEW ZEALAND - Second innings 64	100, N Hussain 64, J P Crawley 56, S B Dool 5-70.
ENGLAND - Second innings 191	100, N Hussain 64, J P Crawley 56, S B Dool 5-70.
NEW ZEALAND - Third innings 124	100, N Hussain 64, J P Crawley 56, S B Dool 5-70.
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ENGLAND - Eighth innings 191	100, N Hussain 64, J P Crawley 56, S B Dool 5-70.
NEW ZEALAND - Ninth innings 124	100, N Hussain 64, J P Crawley 56, S B Dool 5-70.
ENGLAND - Ninth innings 383	100, N Hussain 64, J P Crawley 56, S B Dool 5-70.
NEW ZEALAND - Tenth innings 64	100, N Hussain 64, J P Crawley 56, S B Dool 5-70.
ENGLAND - Tenth innings 191	100, N Hussain 64, J P Crawley 56, S B Dool 5-70.

## Hoddle takes good with the bad over injuries

**Football**  
TREVOR HAYLETT

A split developed among England's injured yesterday which both delighted and disappointed Glenn Hoddle. Alan Shearer, Paul Gascoigne and David Seaman all proved their fitness for tomorrow's World Cup game with Italy but major doubts continue to concern Tony Adams and Paul Ince.

The latter pair, together with Newcastle's Robert Lee, were unable to take part in yesterday's training session at Bisham Abbey and must show significant progress to be available for the Wembley match.

"Both Adams and Ince would only be 50-50 at this stage," declared the England coach with the unperturbed air of one who knows the bad news could have been a lot, lot worse.

"Tony is still feeling his ankle and had to work on his own. Paul and Robert did a little but we were not able to bring them fully into the main group."

"I will need to have some idea of the shape of my side after tomorrow afternoon's session. Tony will be given until late on Tuesday to prove himself."

If either player is to sit out the qualifying tie between the Group Two heavyweights with 100 per-

cent records, England's cause would be weakened. Under Arsene Wenger's influence at Arsenal Adams has added new qualities to his renowned defensive strength while Ince, a mainstay of Internazionale's midfield, has a knowledge of how to cope with the Italian threat.

The happier side of the coin showed Shearer, Seaman and Gascoigne returning to the fold after their various injuries. Hoddle pronounced himself positive and optimistic about all three with the caveat that Shearer's problem in his lower back could yet provoke a reaction.

"You can only go into a game risking one of two," Hoddle added. "Inevitably there will be players who are going to be less than 100 per cent and that's when I have to look at all the elements and angles and see what's worth it for such a big game."

Gascoigne's recovery was the major surprise. "When his ankle was in plaster last weekend not many would have given him a chance of being available. A fit Paul Gascoigne is obviously a major bonus when others are struggling."

"We have followed him closely since the last game in Georgia and his form has been good. What's more he has not been in so much trouble with referees. He will always be the cheeky

chappie but he's determined to change the other things."

The Italy coach, Cesare Maldini, is considering employing the Real Madrid defender Christian Panucci as a sweeper in an attempt to shackle Shearer. Panucci played sweeper in the final of the 1994 World Cup and the possibilities 4-1 in a training match in Florence yesterday.

"He's one of the real possibilities but it's best not to make too many changes," Maldini said before the team left for England. Chelsea's Roberto Di Matteo is expected to play alongside Dino Baggio and Demetrio Albertini in the Italian midfield, while his club-mate Gianfranco Zola should link up with Lazio striker Pierluigi Casiraghi in attack. Maldini wants his strikers to interchange and give his midfield more options.

However, Maldini also said he was pleased with the form of Middlesbrough striker Fabrizio Ravanelli and fellow forward Enrico Chiesa, who look sure to be on the bench.

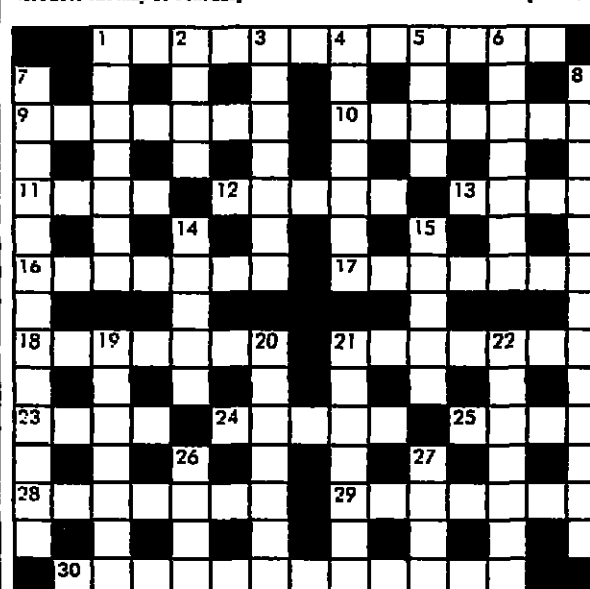
The Football Association are investigating allegations of a tickets scandal 48 hours before England's World Cup qualifier against Italy at Wembley. It is believed that as many as 1,000 tickets are being sold on the black market at 10 times their market value.

## THE INDEPENDENT CROSSWORD

No. 3219, Tuesday 11 February

By Astrid

Monday's Solution



ACROSS  
1 Story has short trendy affair? (12)  
9 Disturbance in court is controlled? (7)  
10 One going on trip to ancient city list? (7)  
11 Unhappy about one aforementioned? (4)  
12 It designates the French dance "over"? (5)  
13 People will take day to get better? (4)  
16 Perhaps non-empirical describes one on remand? (7)  
17 Big cat eats slugs? (7)  
18 Record one lightweight saving? (7)  
21 Malady and misfortune will hold nurse back? (7)  
23 Essentially hate to make a sworn statement? (4)

DOWN  
1 Shows you've accepted changed recipe given time? (7)  
2 Den of mendacious type undergoing a change of heart? (4)  
3 Fighting vessel on a road gets in drink? Quite the reverse? (7)  
4 Do better than open-air trader in this? (7)  
5 Missile about to be launched into South of France? (4)  
6 Presence in fragrance perhaps which is rather chilly? (7)

MONDAY'S SOLUTION  
ACROSS  
1 STORY  
9 DISTURBANCE  
10 TRIP  
11 UNHAPPY  
12 FRENCH  
13 BETTER  
16 REMAND  
17 SLUGS  
18 RECORD  
21 MALADY  
23 HATE

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